

CITY OF BURLINGTON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2013

CITY OF BURLINGTON
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Patrick W. Romenesko, S.C.
CERTIFIED PUBLIC ACCOUNTANT

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Independent Auditor's Report

To the City Council
City of Burlington
Racine and Walworth Counties, Wisconsin

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Burlington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Burlington's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Burlington as of December 31, 2013, and the respective changes in financial position and, where applicable, the cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City of Burlington adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of January 1, 2013. My opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Burlington's basic financial statements. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the of the basic financial statements.

This supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Long-Term Debt Schedules as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2014, on my consideration of the City of Burlington's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Burlington's internal control over financial reporting and compliance.



PATRICK W. ROMENESKO, S.C.
CERTIFIED PUBLIC ACCOUNTANT

Lake Geneva, Wisconsin
June 30, 2014

CITY OF BURLINGTON
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		Housing Authority
<u>Assets</u>				
Pooled cash and investments	\$ 3,609,310	\$ 881,870	\$ 4,491,180	\$ 72,682
Receivables:				
2013 tax levy	10,206,664	-	10,206,664	-
Delinquent personal property tax (net of allowance for uncollectible accounts)	932	-	932	-
Accounts and other	13,973	1,129,992	1,143,965	-
Special assessments	67,140	285,453	352,593	-
Internal balances	784,355	(784,355)	-	
Inventories	-	48,473	48,473	-
Prepaid items	8,643	3,475	12,118	4,491
Restricted assets:				
Cash and investments	2,409,383	334	2,409,717	122,725
Notes receivable	2,265,922	-	2,265,922	-
Capital assets (net of accumulated depreciation):				
Land and land rights	20,266,467	1,164,332	21,430,799	87,236
Buildings and improvements	8,788,171	21,751,496	30,539,667	2,241,920
Land improvements and other structures	3,625,016	2,054,267	5,679,283	183,564
Machinery and equipment	7,058,639	12,349,709	19,408,348	137,904
Infrastructure	41,156,408	31,726,767	72,883,175	-
Construction in progress	383,787	8,167,731	8,551,518	-
Less: accumulated depreciation	(26,280,067)	(29,838,216)	(56,118,283)	(1,679,265)
Total assets	<u>74,364,743</u>	<u>48,941,328</u>	<u>123,306,071</u>	<u>1,171,257</u>
<u>Liabilities</u>				
Accounts payable and other current liabilities	565,067	345,751	910,818	7,744
Accrued interest payable	249,885	16,258	266,143	-
Deposits held	18,332	3,000	21,332	30,520
Liabilities payable from restricted assets:				
Accrued interest payable	-	64,124	64,124	-
Non-current liabilities:				
Compensated absences, due beyond one year	313,762	75,419	389,181	-
Bonds and notes payable, due within one year	3,257,620	1,522,744	4,780,364	46,463
Bonds and notes payable, due beyond one year	26,091,904	16,162,984	42,254,888	752,345
Total liabilities	<u>30,496,570</u>	<u>18,190,280</u>	<u>48,686,850</u>	<u>837,072</u>
<u>Deferred Inflows of Resources</u>				
Property taxes	<u>10,656,288</u>	<u>-</u>	<u>10,656,288</u>	<u>-</u>
<u>Net Position</u>				
Invested in capital assets, net of related debt	25,648,897	30,374,657	56,023,554	172,551
Restricted for debt service	2,409,383	334	2,409,717	92,232
Unrestricted	5,153,605	376,057	5,529,662	69,402
Total net position	<u>\$ 33,211,885</u>	<u>\$ 30,751,048</u>	<u>\$ 63,962,933</u>	<u>\$ 334,185</u>

See accompanying notes to financial statements.

A two-page statement of activities follows.

CITY OF BURLINGTON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<u>Functions/Programs</u>				
Primary government:				
Governmental activities:				
General government	\$ 937,037	\$ 51,302	\$ -	\$ -
Public safety	3,958,280	309,116	105,943	-
Public works	3,302,509	13,809	558,963	58,992
Health and human services	74,614	-	-	-
Culture, recreation and education	1,493,368	36,465	321,920	102,264
Conservation and development	200,668	-	-	-
Interest on long-term debt	894,009	-	-	-
Total governmental activities	10,860,484	410,692	986,826	161,256
Business-type activities:				
Water	1,755,585	2,344,258	-	39,730
Sewer	3,155,815	2,299,856	-	58,848
Airport	991,620	921,316	-	-
Total business-type activities	5,903,020	5,565,430	-	98,578
Total primary government	16,763,504	5,976,122	986,826	259,834
Component unit:				
Housing authority	\$ 430,578	\$ 455,809	\$ -	\$ -

General revenues:

Taxes:

Property taxes levied for general purposes

Franchise taxes

Public accommodation taxes

Payments in lieu of taxes

Other taxes

Intergovernmental revenues not restricted
to specific programs

Property rents

Gain (loss) on sale of assets

Unrestricted investment earnings

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning , as restated

Net position - ending

See accompanying notes to financial statements.

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Authority
\$ (885,735)	\$ -	\$ (885,735)	\$ -
(3,543,221)	-	(3,543,221)	-
(2,670,745)	-	(2,670,745)	-
(74,614)	-	(74,614)	-
(1,032,719)	-	(1,032,719)	-
(200,668)	-	(200,668)	-
(894,009)	-	(894,009)	-
<u>(9,301,710)</u>	<u>-</u>	<u>(9,301,710)</u>	<u>-</u>
-	628,403	628,403	-
-	(797,111)	(797,111)	-
<u>-</u>	<u>(70,304)</u>	<u>(70,304)</u>	<u>-</u>
<u>-</u>	<u>(239,012)</u>	<u>(239,012)</u>	<u>-</u>
<u>(9,301,710)</u>	<u>(239,012)</u>	<u>(9,540,722)</u>	<u>-</u>
			<u>25,231</u>
9,726,316	-	9,726,316	-
132,244	-	132,244	-
51,829	-	51,829	-
34,524	-	34,524	-
3,890	-	3,890	-
693,177	-	693,177	-
77,876	-	77,876	-
47,334	-	47,334	-
145,656	25,252	170,908	134
721,480	(721,480)	-	-
<u>11,634,326</u>	<u>(696,228)</u>	<u>10,938,098</u>	<u>134</u>
2,332,616	(935,240)	1,397,376	25,365
<u>30,879,269</u>	<u>31,686,288</u>	<u>62,565,557</u>	<u>308,820</u>
<u>\$ 33,211,885</u>	<u>\$ 30,751,048</u>	<u>\$ 63,962,933</u>	<u>\$ 334,185</u>

A two-page balance sheet - governmental funds follows.

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

<u>Assets</u>	General	TIF No. 3 Debt Service Fund	Environmental TIF Capital Projects	Infrastructure Capital Projects	Other Governmental Funds	Total Governmental Funds
Pooled cash and investments	\$ 1,220,509	\$ -	\$ 3,318	\$ -	\$ 2,385,327	\$ 3,609,154
Receivables:						
2013 tax levy	4,711,880	4,565,495	63,885	-	865,404	10,206,664
Delinquent personal property, net	932	-	-	-	-	932
Accounts and other	13,973	-	-	-	-	13,973
Special assessments	67,140	-	-	-	-	67,140
Due from other funds	1,365,266	-	-	-	-	1,365,266
Prepaid items	8,643	-	-	-	-	8,643
Restricted assets:						
Cash and investments	-	1,645,654	-	-	763,729	2,409,383
Advances to other funds	-	1,771,462	-	-	-	1,771,462
Notes receivable	-	-	1,097,678	-	1,168,244	2,265,922
Total assets	<u>7,388,343</u>	<u>7,982,611</u>	<u>1,164,881</u>	<u>-</u>	<u>5,182,704</u>	<u>21,718,539</u>
<u>Liabilities, Deferred Inflows of Resources</u>						
<u>and Fund Balances</u>						
Liabilities:						
Accounts payable and accrued expenses	387,630	-	-	61,040	36,624	485,294
Due to other funds	-	-	57,143	484,809	38,959	580,911
Deposits held	18,332	-	-	-	-	18,332
Advances from other funds	-	-	1,771,462	-	-	1,771,462
Total liabilities	<u>405,962</u>	<u>-</u>	<u>1,828,605</u>	<u>545,849</u>	<u>75,583</u>	<u>2,855,999</u>
Deferred Inflows of Resources:						
Deferred revenue	5,161,504	4,565,495	1,161,563	-	2,033,648	12,922,210
Deferred special assessments	97,810	-	-	-	-	97,810
	<u>5,259,314</u>	<u>4,565,495</u>	<u>1,161,563</u>	<u>-</u>	<u>2,033,648</u>	<u>13,020,020</u>

CITY OF BURLINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<u>General</u>	<u>TIF No. 3 Debt Service Fund</u>	<u>Environmental TIF District</u>	<u>Infrastructure Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:						
Nonspendable for:						
Delinquent taxes receivable	932	-	-	-	-	932
Prepaid expenditures	8,643	-	-	-	-	8,643
Permanent funds	-	-	-	-	52,366	52,366
Net advances to other funds	-	1,771,462	-	-	-	1,771,462
Restricted	-	1,645,654	(1,825,287)	(545,849)	-	(725,482)
Assigned	300,000	-	-	-	3,021,107	3,321,107
Unassigned	1,413,492	-	-	-	-	1,413,492
Total fund balances	<u>1,723,067</u>	<u>3,417,116</u>	<u>(1,825,287)</u>	<u>(545,849)</u>	<u>3,073,473</u>	<u>5,842,520</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,388,343</u>	<u>\$ 7,982,611</u>	<u>\$ 1,164,881</u>	<u>\$ -</u>	<u>\$ 5,182,704</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	54,998,421
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	2,363,728
Internal service funds are used by management to charge the costs of health and dental insurance benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	(79,613)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(29,913,171)</u>
Net position of governmental activities	<u>\$ 33,211,885</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	TIF No. 3 Debt Service Fund	Environmental TIF Capital Projects	Infrastructure Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>						
Taxes:						
General property taxes	\$ 4,397,723	\$ 4,161,342	\$ 46,751	\$ -	\$ 1,120,500	\$ 9,726,316
Payments in lieu of taxes	34,524	-	-	-	-	34,524
Occupational taxes	881	-	-	-	-	881
Room tax and other taxes	54,838	-	-	-	-	54,838
Intergovernmental	1,291,222	16,630	1,187	-	362,707	1,671,746
Licenses and permits	365,091	-	-	-	-	365,091
Fines and forfeitures	160,704	-	-	-	-	160,704
Charges for services	50,768	-	-	-	21,960	72,728
Special assessments	16,740	-	-	-	-	16,740
Investment earnings	4,945	36,735	78,820	7,184	17,972	145,656
TIF repayment of deferred advance	294,415	-	-	-	-	294,415
Repayments of note receivable principal	14,040	-	29,937	-	36,968	80,945
Other	83,486	-	-	-	61,620	145,106
Total revenues	<u>6,769,377</u>	<u>4,214,707</u>	<u>156,695</u>	<u>7,184</u>	<u>1,621,727</u>	<u>12,769,690</u>
<u>Expenditures</u>						
Current:						
General government	915,736	13,386	150	-	-	929,272
Public safety	3,724,087	-	-	-	3,510	3,727,597
Public works	2,140,561	-	-	-	-	2,140,561
Health and human services	74,614	-	-	-	-	74,614
Culture, recreation and education	598,257	-	-	-	738,907	1,337,164
Conservation and development	186,752	5,829	-	-	461,377	653,958
Capital outlay	-	-	-	1,066,767	815,895	1,882,662
Debt service:						
Principal	-	2,959,948	90,000	-	185,000	3,234,948
Interest and fiscal charges	-	614,588	68,652	-	206,819	890,059
Total expenditures	<u>7,640,007</u>	<u>3,593,751</u>	<u>158,802</u>	<u>1,066,767</u>	<u>2,411,508</u>	<u>14,870,835</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(870,630)</u>	<u>620,956</u>	<u>(2,107)</u>	<u>(1,059,583)</u>	<u>(789,781)</u>	<u>(2,101,145)</u>
<u>Other Financing Sources (Uses)</u>						
Transfers in	448,232	-	-	55,910	30,000	534,142
Transfers out	(25,000)	(55,910)	(39,675)	-	(148,702)	(269,287)
Proceeds from borrowing	-	-	-	-	1,147,507	1,147,507
Water utility tax equivalent	456,625	-	-	-	-	456,625
Sale of capital assets	-	-	-	-	57,291	57,291
Total other financing sources and uses	<u>879,857</u>	<u>(55,910)</u>	<u>(39,675)</u>	<u>55,910</u>	<u>1,086,096</u>	<u>1,926,278</u>
Net change in fund balances	9,227	565,046	(41,782)	(1,003,673)	296,315	(174,867)
Fund balances - beginning	1,713,840	2,852,070	(1,783,505)	457,824	2,777,158	6,017,387
Fund balances - ending	<u>\$ 1,723,067</u>	<u>\$ 3,417,116</u>	<u>\$ (1,825,287)</u>	<u>\$ (545,849)</u>	<u>\$ 3,073,473</u>	<u>\$ 5,842,520</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Amounts reported for governmental activities in the statement of activities (Pages 4 - 5) are different because:

Net change in fund balances - total governmental funds (page 8)	\$ (174,867)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Certain capital outlay costs that are recorded as capital assets in the government-wide financial statements	1,829,881
Depreciation expense is recorded in the government-wide statements	(1,592,974)
Net book value of assets retired or traded affects net position	(9,957)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Special assessments levied	44,615
<p>Long-term receivables not available are reported as revenue in the fund financial statements when collected or currently available, but are recognized as revenue when earned in the government-wide financial statements.</p>	
Notes receivable issued	450,000
Collection of special assessments	(16,740)
Collection of advances and loans	(372,070)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position.</p>	
Principal and defeasance payments on long-term debt	3,234,948
Issuance of general obligation debt	(1,147,507)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Changes in interest accrued on long-term debt	(3,950)
Changes in compensated absences	(2,089)
The net revenue of internal service fund activity is reported with governmental activities.	93,326
Change in net position of governmental activities (Pages 4 - 5)	\$ 2,332,616

See accompanying notes to financial statements.

CITY OF BURLINGTON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
General property taxes	\$4,334,703	\$ 4,334,703	\$ 4,397,723	\$ 63,020
Payments in lieu of taxes	43,000	32,000	34,524	2,524
Occupational tax	893	881	881	-
Room tax	75,000	48,000	51,829	3,829
Other taxes	300	2,500	3,009	509
Intergovernmental	1,302,467	1,282,834	1,291,222	8,388
Licenses and permits	291,366	307,000	365,091	58,091
Fines and forfeitures	235,000	195,000	160,704	(34,296)
Charges for services	53,732	62,950	50,768	(12,182)
Special assessments	10,967	9,000	16,740	7,740
Investment income	18,200	10,200	4,945	(5,255)
TIF reimbursement for deferred advance	-	-	294,415	294,415
Repayments of note receivable principal	50,000	50,000	14,040	(35,960)
Other	35,850	80,600	83,486	2,886
Total revenues	<u>6,451,478</u>	<u>6,415,668</u>	<u>6,769,377</u>	<u>353,709</u>
<u>Expenditures</u>				
Current:				
General government	975,706	869,206	915,736	(46,530)
Public safety	3,682,197	3,601,697	3,724,087	(122,390)
Public works	1,938,315	1,959,315	2,140,561	(181,246)
Health and human services	88,208	81,508	74,614	6,894
Culture, recreation and education	589,045	587,245	598,257	(11,012)
Conservation and development	186,571	193,071	186,752	6,319
Total expenditures	<u>7,460,042</u>	<u>7,292,042</u>	<u>7,640,007</u>	<u>(347,965)</u>
Excess expenditures over revenues	<u>(1,008,564)</u>	<u>(876,374)</u>	<u>(870,630)</u>	<u>5,744</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	35,000	304,285	448,232	143,947
Transfers out	(42,840)	(42,840)	(25,000)	17,840
Sale of capital assets	176,401	176,401	-	(176,401)
Water utility tax equivalent	431,000	391,000	456,625	65,625
Total other financing sources and uses	<u>599,561</u>	<u>828,846</u>	<u>879,857</u>	<u>51,011</u>
Change in fund balances	(409,003)	(47,528)	9,227	56,755
Fund balances - beginning	<u>1,713,840</u>	<u>1,713,840</u>	<u>1,713,840</u>	<u>-</u>
Fund balances - ending	<u>\$1,304,837</u>	<u>\$ 1,666,312</u>	<u>\$ 1,723,067</u>	<u>\$ 56,755</u>

See accompanying notes to financial statements.

A two-page statement of net position -
proprietary funds follows.

CITY OF BURLINGTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
<u>Assets</u>	Water Utility	Sewer Utility	Airport	Totals	
Current assets:					
Cash and investments	\$ 613	\$ -	\$ 267,885	\$ 268,498	\$ 613,528
Receivables:					
Customer accounts receivable	549,725	392,617	-	942,342	-
Special assessments	113,545	171,908	-	285,453	-
Other	102,506	85,144	-	187,650	-
Prepaid expenses	3,475	-	-	3,475	-
Inventories	11,863	-	36,610	48,473	-
Total current assets	781,727	649,669	304,495	1,735,891	613,528
Noncurrent assets:					
Restricted assets:					
Restricted cash and investments	-	334	-	334	-
Capital assets:					
Property, plant and equipment	24,006,535	42,517,607	2,522,430	69,046,572	-
Construction in progress	-	8,167,731	-	8,167,731	-
Less accumulated depreciation	(6,238,789)	(22,391,804)	(1,207,623)	(29,838,216)	-
Total capital assets, net	17,767,746	28,293,534	1,314,807	47,376,087	-
Total noncurrent assets	17,767,746	28,293,868	1,314,807	47,376,421	-
Total assets	\$ 18,549,473	\$ 28,943,537	\$ 1,619,302	\$ 49,112,312	\$ 613,528

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Airport</u>	<u>Totals</u>	
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	\$ 51,580	\$ 265,499	\$ 7,677	\$ 324,756	\$ 79,769
Accrued payroll	7,003	13,992	-	20,995	-
Accrued interest payable	5,369	10,890	-	16,259	-
Due to other funds	501,258	283,097	-	784,355	-
Current portion of general obligation bonds	20,000	640,000	-	660,000	-
Current portion of lease obligation payable	-	65,550	-	65,550	-
Deposits held	-	3,000	-	3,000	-
Total current liabilities	<u>585,210</u>	<u>1,282,028</u>	<u>7,677</u>	<u>1,874,915</u>	<u>79,769</u>
Current liabilities payable from restricted assets:					
Current portion of revenue bonds payable	262,220	534,974	-	797,194	-
Accrued interest payable	15,636	48,488	-	64,124	-
Total current liabilities payable from restricted assets	<u>277,856</u>	<u>583,462</u>	<u>-</u>	<u>861,318</u>	<u>-</u>
Noncurrent liabilities:					
Revenue bonds payable	3,413,804	10,847,581	-	14,261,385	-
General obligation bonds payable	640,000	985,000	-	1,625,000	-
Lease purchase obligation payable	-	276,599	-	276,599	-
Compensated absences	39,572	35,847	-	75,419	-
Total noncurrent liabilities	<u>4,093,376</u>	<u>12,145,027</u>	<u>-</u>	<u>16,238,403</u>	<u>-</u>
Total liabilities	<u>4,956,442</u>	<u>14,010,517</u>	<u>7,677</u>	<u>18,974,636</u>	<u>79,769</u>
<u>Net Position</u>					
Invested in capital assets, net of related debt	13,431,722	15,628,128	1,314,807	30,374,657	-
Restricted for debt service	-	334	-	334	-
Unrestricted	161,309	(695,442)	296,818	(237,315)	533,759
Total net position	<u>\$ 13,593,031</u>	<u>\$ 14,933,020</u>	<u>\$ 1,611,625</u>	<u>\$ 30,137,676</u>	<u>\$ 533,759</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>Operating Revenues</u>					
Charges for sales and services:					
Water sales	\$ 2,331,814	\$ -	\$ -	\$ 2,331,814	\$ -
Sewer charges	-	2,222,646	-	2,222,646	-
Fuel sales	-	-	888,666	888,666	-
Billings to departments	-	-	-	-	1,395,968
Other	12,444	77,210	32,650	122,304	78,319
Total operating revenues	<u>2,344,258</u>	<u>2,299,856</u>	<u>921,316</u>	<u>5,565,430</u>	<u>1,474,287</u>
<u>Operating Expenses</u>					
Operation and maintenance	1,074,472	1,669,573	118,459	2,862,504	-
Fuel for resale	-	-	778,822	778,822	-
Depreciation	587,906	1,366,840	83,818	2,038,564	-
Taxes	28,189	40,366	10,521	79,076	-
Insurance claims and administration	-	-	-	-	1,218,743
Total operating expenses	<u>1,690,567</u>	<u>3,076,779</u>	<u>991,620</u>	<u>5,758,966</u>	<u>1,218,743</u>
Operating income (loss)	<u>653,691</u>	<u>(776,923)</u>	<u>(70,304)</u>	<u>(193,536)</u>	<u>255,544</u>
<u>Nonoperating Revenues (Expenses)</u>					
Investment income	10,679	14,528	45	25,252	1,747
Interest expense	(118,470)	(170,726)	-	(289,196)	-
Total nonoperating revenue (expenses)	<u>(107,791)</u>	<u>(156,198)</u>	<u>45</u>	<u>(263,944)</u>	<u>1,747</u>
Income before contributions and transfers	545,900	(933,121)	(70,259)	(457,480)	257,291
Capital contributions	39,730	58,848	-	98,578	-
Tax equivalent to municipality	(475,447)	-	-	(475,447)	-
Transfers out - other	(249,855)	-	(15,000)	(264,855)	-
Change in net position	<u>(139,672)</u>	<u>(874,273)</u>	<u>(85,259)</u>	<u>(1,099,204)</u>	<u>257,291</u>
Net position - beginning of year, as restated	<u>13,732,703</u>	<u>15,807,293</u>	<u>1,696,884</u>	<u>31,236,880</u>	<u>276,468</u>
Net position - end of year	<u>\$ 13,593,031</u>	<u>\$ 14,933,020</u>	<u>\$ 1,611,625</u>	<u>30,137,676</u>	<u>\$ 533,759</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>613,372</u>	
Net position of business - type activities (page 3)				<u>\$ 30,751,048</u>	

See accompanying notes to financial statements.

A two-page statement of cash flows -
proprietary funds follows.

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Business-type Activities - Enterprise Funds</u>				Governmental Activities - Internal Service Fund
	Water Utility	Sewer Utility	Airport	Totals	
<u>Cash Flows from Operating Activities</u>					
Receipts from customers and users	\$ 2,380,808	\$ 2,341,939	\$ 941,472	\$ 5,664,219	\$ -
Receipts from interfund services provided	-	-	-	-	1,480,473
Payments to suppliers	(666,181)	(1,406,051)	(909,610)	(2,981,842)	-
Payments to employees	(383,580)	(550,561)	-	(934,141)	-
Payments for interfund services used	-	-	-	-	(1,369,586)
Net cash provided by (used for) operating activities	<u>1,331,047</u>	<u>385,327</u>	<u>31,862</u>	<u>1,748,236</u>	<u>110,887</u>
<u>Cash Flows from Noncapital Financing Activities</u>					
Transfers in (out)	<u>(725,302)</u>	<u>-</u>	<u>(15,000)</u>	<u>(740,302)</u>	<u>-</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Capital contributions	2,445	58,848	-	61,293	-
Acquisition and construction of capital assets	(308,562)	(6,012,719)	-	(6,321,281)	-
Salvage, insurance proceeds and sales of capital assets	11,183	80,000	-	91,183	-
Face value of bonds issued	-	6,558,920	-	6,558,920	-
Principal paid on bonds	(280,343)	(841,882)	-	(1,122,225)	-
Interest paid on bonds	(117,512)	(249,638)	-	(367,150)	-
Special assessment collections	10,764	14,682	-	25,446	-
Net cash used for capital and related financing activities	<u>(682,025)</u>	<u>(391,789)</u>	<u>-</u>	<u>(1,073,814)</u>	<u>-</u>
<u>Cash Flows from Investing Activities</u>					
Interest and dividends received	299	6,462	45	6,806	1,747
Net cash provided by investing activities	<u>299</u>	<u>6,462</u>	<u>45</u>	<u>6,806</u>	<u>1,747</u>
Net increase (decrease) in cash and cash equivalents	(75,981)	-	16,907	(59,074)	112,634
Cash and cash equivalents - beginning of year	<u>76,594</u>	<u>334</u>	<u>250,978</u>	<u>327,906</u>	<u>500,894</u>
Cash and cash equivalents - end of year	<u>\$ 613</u>	<u>\$ 334</u>	<u>\$ 267,885</u>	<u>\$ 268,832</u>	<u>\$ 613,528</u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Business-type Activities - Enterprise Funds

<u>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Airport</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Fund</u>
Operating income (loss)	\$ 653,691	\$ (776,923)	\$ (70,304)	\$ (193,536)	\$ 255,544
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	587,906	1,366,840	83,818	2,038,564	-
Depreciation charged to clearing account	19,755	-	-	19,755	-
(Increase) decrease in customer and other receivables	36,550	42,083	20,156	98,789	6,186
(Increase) decrease in prepaid expenses	(3,475)	-	-	(3,475)	-
(Increase) decrease in inventories	(7)	-	(5,756)	(5,763)	-
Increase (decrease) in accounts payable	10,901	(220,123)	3,948	(205,274)	(150,843)
Increase (decrease) in accrued payroll	511	(2,596)	-	(2,085)	-
Increase (decrease) in due to other funds	23,669	(28,439)	-	(4,770)	-
Increase (decrease) in compensated absences payable	1,546	4,485	-	6,031	-
Total adjustments	<u>677,356</u>	<u>1,162,250</u>	<u>102,166</u>	<u>1,941,772</u>	<u>(144,657)</u>
Net cash provided by (used for) operating activities	<u><u>1,331,047</u></u>	<u><u>385,327</u></u>	<u><u>31,862</u></u>	<u><u>1,748,236</u></u>	<u><u>110,887</u></u>
<u>Reconciliation of Cash and Cash Equivalents to Statement of Net Position - Proprietary Funds</u>					
Cash and investments reported as current assets	613	-	267,885	268,498	613,528
Cash and investments reported as restricted assets	-	334	-	334	-
Cash and cash equivalents - end of year	<u><u>\$ 613</u></u>	<u><u>\$ 334</u></u>	<u><u>\$ 267,885</u></u>	<u><u>\$ 268,832</u></u>	<u><u>\$ 613,528</u></u>

Noncash Capital and Related Financing Activities

Capital additions of \$37,285 were contributed to the water utility by the city.

See accompanying notes to financial statements.

CITY OF BURLINGTON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2013

	<u>Tax Roll</u>	<u>Municipal Court</u>	<u>Developers' Reimbursement Fund</u>	<u>Totals</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 6,852,613	\$ 26,630	\$ 32,019	\$ 6,911,262
Taxes receivable	4,089,317	-	-	4,089,317
Total assets	<u>10,941,930</u>	<u>26,630</u>	<u>32,019</u>	<u>11,000,579</u>
<u>Liabilities</u>				
Liabilities:				
Accounts payable	150,226	19,902	-	170,128
Due to county and state	2,671,560	-	-	2,671,560
Due to school and VTAE districts	8,120,144	-	-	8,120,144
Deposits held	-	6,728	32,019	38,747
Total liabilities	<u>10,941,930</u>	<u>26,630</u>	<u>32,019</u>	<u>11,000,579</u>
Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

CITY OF BURLINGTON
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For the Year Ended December 31, 2013

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CITY OF BURLINGTON
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note 1 - Summary Of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles of state and local governments, except the Management's Discussion and Analysis has not been presented. Statement No. 34 of the Governmental Accounting Standards Board calls for the inclusion of this information as required supplementary information.

A. Reporting Entity

The City of Burlington (the city) is a municipal corporation governed by an elected mayor and eight-member council. The accompanying financial statements present the city and its component unit, an entity for which the city is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the city.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. Although it is a legally separate entity, standards set forth in Statement No. 61 of the Governmental Accounting Standards Board require that the financial statements of the Housing Authority of the City of Burlington be reported as a component unit of the city due to the appointment of its board of commissioners by the city's mayor. The Housing Authority of the City of Burlington is reported as a discretely presented component unit to emphasize that it is an entity that is legally separate from the city. The financial information included in the statement of net position is as of the Housing Authority's fiscal year end of August 31, 2013. Complete financial statements for the component unit may be obtained at its administrative offices.

Riverview Manor
580 Madison Street
Burlington, Wisconsin 53105

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Note 1 - Summary Of Significant Accounting Policies - Continued

B. Government-Wide and Fund Financial Statements - Continued

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the city.

Funds are organized as either major funds or non-major funds within the governmental, proprietary, and fiduciary statements. A fund is considered major if it is the primary operating fund of the government or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
3. In addition, any other governmental or proprietary fund that the government considers to be particularly important to financial statement users may be reported as a major fund.

Note 1 - Summary Of Significant Accounting Policies - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Major Funds

The city reports the following major governmental funds:

The *General fund* is the city's primary operating fund. It accounts for all financial resources of the city except those required to be accounted for in another fund.

TIF No. 3 Debt service fund - accounts for the resources accumulated and payments made for principal and interest on long-term obligation debt of the city's Tax Incremental Financing District No. 3.

Environmental TIF District fund - accounts for remediation and other capital costs as authorized by the Wisconsin statutes.

Infrastructure Capital Projects fund - accounts for loan proceeds segregated for the construction of road and other infrastructure improvements.

The city reports the following major proprietary funds:

Sewer utility enterprise fund - accounts for the activities of operating the sewage treatment plant, sewage pumping stations and collections systems.

Water utility enterprise fund - accounts for the activities of operating the water distribution system.

Airport enterprise fund - accounts for the activities of the city's airport operations.

Non-Major Funds

The city reports the following non-major governmental funds:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

- Library Operations
- Community Development Block Grant
- TIF No. 3 Revolving Loan
- Park Development
- Library Trust
- Police DARE
- Derozier
- Wehmhoff

Debt Service Fund - Debt service funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

- General Debt Service

Capital Projects Funds - Capital projects funds are used to account for financial resources segregated for the acquisition and construction of major capital facilities.

- Energy Improvement
- Revolving Capital Projects
- Stormwater Management
- Facade Grants

Note 1 - Summary Of Significant Accounting Policies - Continued

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Additionally, the city reports the following fund types:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the city, on a cost reimbursement basis. The city's internal service fund accounts for the city's risk financing activities related to its employee health insurance medical claims.

Agency Funds - Trust and agency funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. For the city, the agency funds are:

- Tax Roll Fund
- Municipal Court Bond Fund
- Developers' Reimbursement Fund

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the city's water and sewer function and various other functions of the city. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water enterprise fund, the sewer enterprise fund, and the airport enterprise fund are charges to customers for sales and services. The water and sewer enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Change in Accounting Principle

The city implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2013. The objective of this standard is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows or deferred inflows of resources; or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenditures) or inflows of resources (revenues). The cumulative effect of this change was to decrease the December 31, 2013 net position of the governmental activities by \$685,256 and the business-type activities by \$163,486.

Note 1 - Summary Of Significant Accounting Policies - Continued

E. Assets, Liabilities, and Net Position or Equity

1. Cash and Investments

The city's cash and investments consist of cash on hand, checking accounts, savings accounts, certificates of deposit, the state Local Government Investment Pool and government agency securities. Pooled bank accounts that are shared between its various accounting funds are maintained. Each fund's cash balance represents the residual cash available to it after all other transactions.

Investment of city funds are restricted by state statutes. Permitted investments for the city include any of the following:

(1) Time deposits maturing within three years in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to do business in Wisconsin. (2) Bonds or securities issued or guaranteed by the federal government and its agencies. (3) The Wisconsin Local Government Investment Pool and Wisconsin Investment Trust. (4) Bonds or securities of any county, city, drainage district, technical college district, local exposition district, local professional baseball park district, city, town, or school district of the state and the University of Wisconsin Hospitals and Clinics Authority. (5) Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by a nationally recognized rating agency or if that security is senior to, or on parity with, a security of the same issuer which has such a rating. (6) Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities. (7) Securities of open-end management companies or investment trusts (mutual funds) if the portfolio is limited to (a) bonds or securities issued by the federal government or a commission, board or other instrumentality of the federal government, (b) bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government, and (c) repurchase agreements that are fully collateralized by these bonds and securities.

2. Receivable and Payables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectable amounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity - Continued

2. Receivable and Payables - Continued

Property taxes are levied in December on the assessed value as of the prior January 1. Property taxes are recorded as a receivable and deferred revenue in the appropriate fund in the year levied because the taxes are restricted to funding the succeeding year's budget appropriations. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as deferred revenues and due to other governments on the statement of net position. Property tax payments received prior to year end are reflected in the agency fund. Interest on delinquent property taxes is recognized as revenue when received.

Details of the city's property tax calendar for the 2013 tax levy follows:

Lien and levy dates	December 2013
Real estate collection due dates:	
First installment due	January 31, 2014
Second installment due	July 31, 2014
Personal property tax due in full	January 31, 2014
Final settlement with county	August 2014
Tax sale of 2013 delinquent real estate taxes	October 2016

3. Inventories and Prepaid Items

Inventories of the utility enterprise fund are generally used in the operation and maintenance of the water utility. The inventories are valued at cost (first-in, first-out method), which is not in excess of market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

4. Restricted Assets

Cash and equivalents of the city's utilities have been restricted by either bond ordinance or city council resolution for the following purposes:

	Water Utility	Sewer Utility	Totals
Plant and equipment replacement	\$ - - -	\$ 334	\$ 334

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity - Continued

5. Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 - 75
Land improvements	30
Roads	30
Other infrastructure	30 - 50
Vehicles	5 - 10
Office equipment	6 - 10
Computer equipment	5

6. Compensated Absences

City employees earn vacation time in varying amounts and it must generally be taken by the employee's anniversary date according to city policy. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Note 1 - Summary Of Significant Accounting Policies - Continued

D. Assets, Liabilities, and Net Position or Equity - Continued

7. Long-Term Obligations - Continued

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

Accounting principles generally accepted require the classification of fund balances into various components. The components used by the city in the fund financial statements are defined as follows:

Nonspendable - This component of fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as inventories and prepaid amounts.

Restricted - This component of fund balance is used when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Assigned - This component of fund balance represents amounts that are constrained by the city’s *intent* to be used for specific purposes.

Unassigned - This component of fund balance is the residual classification for the general fund.

In the government-wide statements, fund equity is termed net position and reported as the following three components:

Invested in capital assets, net of related debt - This represents capital assets net of accumulated depreciation and reduced by any debt attributable to the acquisition or construction of the capital assets net of any unspent debt proceeds.

Restricted net position - This represents net position restricted by external groups, laws and regulations, or enabling legislation.

Unrestricted net position - This represents net position that does not meet the criteria of the above components of net position.

When both restricted and unrestricted resources are available for use, it is the city’s policy to use unrestricted resources first, then restricted resources as they are needed.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this \$29,913,171 difference are as follows:

Bonds and notes payable	\$29,349,524
Add: Accrued interest payable	249,885
Add: Compensated absences payable	<u>313,762</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>	<u>\$29,913,171</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The financial statements include a *reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities*. One element of that reconciliation explains that “*Long-term receivables not available are reported as revenue in the fund financial statements when collected or currently available, but are recognized as revenue when earned in the government-wide financial statements.*” The details of these differences are as follows:

Special assessments collected	\$ (16,740)
Principal repayments received on notes receivable	(80,945)
Repayment of advance made by general fund to the TIF no. 3 fund that is reported as revenue in the fund financial statements	(294,415)
Notes receivable issued	<u>455,790</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 136,540</u>

Note 3 - Stewardship, Compliance, and Accountability

A. Budgetary Information

The city reviews and adopts its annual budget by December or earlier of the preceding year. The budgetary information included in the accompanying financial statements is comprised of the originally approved budget plus or minus approved revisions of budgeted revenues and expenditures. These budgets are adopted on a basis consistent with GAAP. Management control of the budgetary process has been established at the departmental level of expenditure. A department can be a fund, cost center, program or other activity for which control of expenditures is considered desirable. Budget appropriations for certain capital projects funds are project oriented, often possessing multi-year lives; consequently, budgeted capital projects expenditures are controlled through fund balances.

Note 3 - Stewardship, Compliance, and Accountability - Continued

A. Budgetary Information - Continued

The budget may be amended for supplemental appropriations periodically during the year. Budget changes require a two-thirds approval by the city council. A budget amendment was made during 2013.

Actual expenditures of the general fund for the year ended December 31, 2013 of \$7,640,007 exceeded their amended budgeted amounts of \$7,292,042 by \$347,965.

B. Deficit Fund Equity

The following individual funds had deficit fund balances as of December 31, 2013.

	<u>Amount of Deficit</u>
Environmental TIF district capital projects fund	\$(1,825,287)
Infrastructure capital projects fund	(545,849)
Community development block grant capital projects fund	(23,357)
Facade grant capital projects fund	(15,602)

The deficit fund balance in the environmental TIF district capital projects funds will be eliminated in loan receivable repayments and tax increments. The deficit fund balance in the infrastructure fund will be eliminated by future borrowing or general fund transfers. The deficit fund balance in the community development block grant and facade grant funds will be eliminated by future general fund transfers.

C. General Fund Assigned and Nonspendable Fund Balances

The fund balance of the general fund at December 31, 2013 was assigned for the following:

City hall construction	<u>\$ 300,000</u>
------------------------	-------------------

The fund balance of the general fund at December 31, 2013 was nonspendable for the following:

Delinquent personal property taxes	\$ 932
Prepaid expenditures	<u>8,643</u>
Total	<u>\$ 9,575</u>

D. Utility Debt Service Redemption Funds and Bond Covenants

Provisions of the water and sewer utility bond agreements specify certain balances in debt service redemption funds. Those balances were calculated as \$59,340 and \$137,650 for the water and sewer utilities, respectively, at December 31, 2013. The utilities did not have sufficient cash available to fund their required redemption fund balances.

Note 4 - Detailed Notes on All Funds

A. Cash and Investments

The city's cash and investments at December 31, 2013 consisted of the following:

	<u>Carrying Amount</u>	<u>Weighted Average Maturity (Days)</u>
Petty cash	\$ 1,158	N/A
Interest bearing checking accounts	1,019,478	Demand
Money market accounts	8,938,713	Demand
State local government investment pool	672,576	89
Certificates of deposit	695,524	453
U.S. treasury securities	1,473,211	365
Government agency securities	<u>1,011,499</u>	1,772
Total carrying amount	<u>\$ 13,812,159</u>	

The city addresses the following risks related to its cash and investments:

Credit Risk

The city has policies to minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in the policy resolution.
- The common council shall by resolution each year approve the public depositories within the city that are deemed appropriate for use under the state and federal law.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.
- Maintain balances with its banking financial institutions that do not exceed the combined amount FDIC insurance and State Deposit Guarantee Fund insurance, along with the amount of collateralized deposits per an agreement with its primary banking institution. However, deposits may temporarily exceed the insured and collateralized amounts during periods when property taxes are collected.

Interest Rate Risk

The city has policies to minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Custodial Risk

The city has policies to minimize custodial risk, which is the risk that in the event of a financial institution failure, the city's deposits may not be returned to it, by:

- Maintaining a list of financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services.
- All financial institutions, public depositories and broker/dealers authorized by resolution to provide deposit and investment services must supply as appropriate audited financial statements demonstrating compliance with state and federal capital adequacy guidelines.

Note 4 - Detailed Notes on All Funds - Continued

A. Cash and Investments - Continued

Total cash and investments above reconcile to the financial statements as follows:

Statement of net position:

Cash and investments	\$ 4,491,180
Restricted cash and investments	<u>2,409,717</u>
Total reported on statement of net position	6,900,897
Statement of fiduciary net position	<u>6,911,262</u>
Total Cash and Investments	<u><u>\$ 13,812,159</u></u>

City cash and investments are insured by the FDIC for up to \$250,000 for time and savings deposits (including interest-bearing NOW accounts), and an additional \$250,000 of FDIC insurance is available for demand (non-interest bearing checking accounts) for each bank used. All city deposits are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses of the pool may not be significant to individual municipalities.

The Local Government Investment Pool (LGIP) is an investment fund managed by the State of Wisconsin Investment Board. The LGIP accepts deposits from governmental units within the State of Wisconsin. The objectives of the LGIP are to provide safety of principal, liquidity and a reasonable rate of return. The LGIP is regulated by the Wisconsin Statutes and is not a SEC registered investment. The yield of the LGIP changes daily and its participants may invest or withdraw any or all amounts at par value at any time. The LGIP balance reported in the financial statements as \$672,576 at December 31, 2013 is at cost basis. The fair value of the LGIP investment at December 31, 2013 did not materially differ from its cost basis. The LGIP had a weighted average maturity of 89 days at December 31, 2013.

For purposes of the statement of cash flows for the enterprise funds, cash equivalents are temporary cash investments with a maturity of three months or less at the date of purchase.

B. Receivables

Receivables as of year end for the city's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectable accounts, are as follows:

	General	TIF No. 3 Debt Service	Environmental TIF	Water Utility	Sewer Utility	Nonmajor and Fiduciary Funds	Totals
Receivables:							
Taxes - current	\$ 4,711,880	\$ 4,565,495	\$ 63,885	\$ ---	\$ ---	\$ 4,954,721	\$ 14,295,981
Taxes - delinquent	932	---	---	---	---	---	932
Accounts and other	13,973	---	---	652,231	477,761	---	1,143,965
Special assessments	67,140	---	---	113,545	171,908	---	352,593
Notes	---	---	1,097,678	---	---	1,170,744	2,268,422
Net total receivables	<u>\$ 4,793,925</u>	<u>\$ 4,565,495</u>	<u>\$ 1,161,563</u>	<u>\$ 765,776</u>	<u>\$ 649,669</u>	<u>\$ 6,125,465</u>	<u>\$ 18,061,893</u>

Note 4 - Detailed Notes on All Funds - Continued

B. Receivables - Continued

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property and other taxes receivable	\$ - - -	\$ 10,175,994
Water utility property tax equivalent	- - -	480,294
Notes receivable (special revenue and capital projects funds)	2,265,922	- - -
Special assessments not yet due (general fund)	<u>97,810</u>	<u>- - -</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 2,363,732</u>	<u>\$ 10,656,288</u>

The city has issued notes receivable which are due for the following purposes:

<u>Purpose</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Balance 12/31/13</u>
Community Development Block Grant	10/23/00	4.0%	60,000	\$ 26,786
Community Development Block Grant	7/6/10	2.0%	340,000	309,380
Community Development Block Grant	12/31/11	2.0%	400,000	368,000 *
Community Development Block Grant	7/2/13		200,000	200,000 *
TIF No. 3 Revolving Loan	6/01/09	1.625%	21,425	12,213
TIF No. 3 Revolving Loan	6/01/11	4.0%	4,896	1,865
TIF No. 3 Revolving Loan	1/24/13		250,000	250,000
Environmental TIF Capital Projects	9/1/10	7.0%	1,160,000	<u>1,097,678</u>
Total				<u>\$ 2,265,922</u>

* - Contains forgiveness provisions for full time employees added.

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets

Capital asset activity for the year ended December 31, 2013 was as follows:

Primary Government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 20,078,006	\$ 188,461	\$ ---	\$ 20,266,467
Construction in progress	---	383,787	---	383,787
Total capital assets, not being depreciated	<u>20,078,006</u>	<u>572,248</u>	<u>---</u>	<u>20,650,254</u>
Capital assets, being depreciated:				
Buildings and improvements	8,788,171	---	---	8,788,171
Land improvements and other structures	3,625,016	---	---	3,625,016
Machinery and equipment	6,879,579	360,746	(181,686)	7,058,639
Infrastructure	<u>40,259,521</u>	<u>896,887</u>	<u>---</u>	<u>41,156,408</u>
Total capital assets being depreciated	<u>59,552,287</u>	<u>1,257,633</u>	<u>(181,686)</u>	<u>60,628,234</u>
Less accumulated depreciation for:				
Buildings and other improvements	(2,959,965)	(281,243)	---	(3,241,208)
Machinery and equipment	(4,078,577)	(383,043)	171,729	(4,289,891)
Infrastructure	<u>(17,820,280)</u>	<u>(928,688)</u>	<u>---</u>	<u>(18,748,968)</u>
Total accumulated depreciation	<u>(24,858,822)</u>	<u>(1,592,974)</u>	<u>171,729</u>	<u>(26,280,067)</u>
Total capital assets, being depreciated, net	<u>34,693,465</u>	<u>(335,341)</u>	<u>(9,957)</u>	<u>34,348,167</u>
Governmental activities capital assets, net	<u>\$ 54,771,471</u>	<u>\$ 236,907</u>	<u>\$ (9,957)</u>	<u>\$ 54,998,421</u>

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Business Type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water Utility				
Capital assets, not being depreciated:				
Land	\$ 269,027	\$ - - -	\$ (9,000)	\$ 260,027
Total capital assets, not being depreciated	<u>269,027</u>	<u>- - -</u>	<u>(9,000)</u>	<u>260,027</u>
Capital assets, being depreciated:				
Buildings and improvements	3,055,811	- - -	- - -	3,055,811
Machinery and equipment	3,146,477	46,854	(28,000)	3,165,331
Infrastructure	17,269,558	312,784	(56,976)	17,525,366
Total capital assets being depreciated	<u>23,471,846</u>	<u>359,638</u>	<u>(84,976)</u>	<u>23,746,508</u>
Less: accumulated depreciation:				
Buildings and improvements	(801,231)	(95,136)	- - -	(896,367)
Machinery and equipment	(883,823)	(188,851)	28,000	(1,044,674)
Infrastructure	(4,042,234)	(323,674)	68,160	(4,297,748)
Total accumulated depreciation	<u>(5,727,288)</u>	<u>(607,661)</u>	<u>96,160</u>	<u>(6,238,789)</u>
Total capital assets, being depreciated, net	<u>17,744,558</u>	<u>(248,023)</u>	<u>11,184</u>	<u>17,507,719</u>
Business-type activities capital assets, net	<u>\$ 18,013,585</u>	<u>\$ (248,023)</u>	<u>\$ 2,184</u>	<u>\$ 17,767,746</u>
Sewer Utility				
Capital assets, not being depreciated:				
Land	\$ 778,671	\$ - - -	\$ - - -	\$ 778,671
Construction in progress	2,126,035	6,041,696	- - -	8,167,731
Total capital assets, not being depreciated	<u>2,904,706</u>	<u>6,041,696</u>	<u>- - -</u>	<u>8,946,402</u>
Capital assets, being depreciated:				
Buildings and system	18,654,505	- - -	- - -	18,654,505
Machinery and equipment	8,565,909	439,409	(122,290)	8,883,028
Infrastructure	14,201,401	- - -	- - -	14,201,401
Total capital assets being depreciated	<u>41,421,815</u>	<u>439,409</u>	<u>(122,290)</u>	<u>41,738,934</u>
Less: accumulated depreciation:				
Buildings and system	(10,402,107)	(621,195)	- - -	(11,023,302)
Machinery and equipment	(6,958,906)	(393,385)	42,290	(7,310,001)
Infrastructure	(3,706,241)	(352,260)	- - -	(4,058,501)
Total accumulated depreciation	<u>(21,067,254)</u>	<u>(1,366,840)</u>	<u>42,290</u>	<u>(22,391,804)</u>
Total capital assets, being depreciated, net	<u>20,354,561</u>	<u>(927,431)</u>	<u>(80,000)</u>	<u>19,347,130</u>
Business-type activities capital assets, net	<u>\$ 23,259,267</u>	<u>\$ 5,114,265</u>	<u>\$ (80,000)</u>	<u>\$ 28,293,532</u>

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Business Type Activities - Continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Airport				
Capital assets, not being depreciated:				
Land	\$ 125,634	\$ ---	\$ ---	\$ 125,634
Total capital assets, not being depreciated	<u>125,634</u>	<u>---</u>	<u>---</u>	<u>125,634</u>
Capital assets, being depreciated:				
Buildings	41,180	---	---	41,180
Land improvements	2,054,267	---	---	2,054,267
Machinery and equipment	<u>301,350</u>	<u>---</u>	<u>---</u>	<u>301,350</u>
Total capital assets being depreciated	<u>2,396,797</u>	<u>---</u>	<u>---</u>	<u>2,396,797</u>
Less: accumulated depreciation:				
Buildings	(41,180)	---	---	(41,180)
Land improvements	(866,236)	(65,306)	---	(931,542)
Machinery and equipment	<u>(216,388)</u>	<u>(18,513)</u>	<u>---</u>	<u>(234,901)</u>
Total accumulated depreciation	<u>(1,123,804)</u>	<u>(83,819)</u>	<u>---</u>	<u>(1,207,623)</u>
Total capital assets, being depreciated, net	<u>1,272,993</u>	<u>(83,819)</u>	<u>---</u>	<u>1,189,174</u>
Business-type activities capital assets, net	<u>\$ 1,398,627</u>	<u>\$ (83,819)</u>	<u>\$ ---</u>	<u>\$ 1,314,808</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 14,137
Public safety	271,918
Highways and streets, including depreciation of general infrastructure assets	1,110,977
Culture and recreation	<u>195,942</u>
Total depreciation expense - governmental activities	<u>\$ 1,592,974</u>
Business-type activities:	
Water	\$ 607,661
Sewer	1,366,840
Airport	<u>83,819</u>
Total depreciation expense - business-type activities	<u>\$ 2,058,320</u>

Note 4 - Detailed Notes on All Funds - Continued

C. Capital Assets - Continued

Discretely Presented Component Unit

Activity for the Housing Authority for the year ended August 31, 2013 follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 87,236	\$ ---	\$ ---	\$ 87,236
Capital assets, being depreciated:				
Buildings	2,241,920	---	---	2,241,920
Landscaping	132,924	4,980	---	137,904
Furniture and equipment	183,564	---	---	183,564
Total capital assets being depreciated	2,558,408	4,980	---	2,563,388
Less: accumulated depreciation	(1,613,835)	(65,432)	---	(1,679,267)
Total capital assets, being depreciated, net	944,573	(60,452)	---	884,121
Business-type activities capital assets, net	<u>\$ 1,031,809</u>	<u>\$ (60,452)</u>	<u>\$ ---</u>	<u>\$ 971,357</u>

Accumulated depreciation by capital asset category for the housing authority is not available.

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of December 31, 2013, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water utility	\$ 501,258
General	Sewer utility	283,097
General	Environmental TIF district	57,143
General	Infrastructure fund	484,809
General	Block grant fund	23,357
General	Facade grant fund	15,602
		<u>\$ 1,365,266</u>

Advances to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
TIF No. 3 debt service	Environmental TIF district	<u>\$ 1,771,462</u>

The advance by the TIF No. 3 debt service fund to the environmental TIF fund will be paid upon the fund's securing of financing.

Note 4 - Detailed Notes on All Funds - Continued

D. Interfund Receivables, Payables and Transfers - Continued

<u>Interfund Transfers:</u>	<u>Transfers In</u>				<u>Totals</u>
	<u>General Fund</u>	<u>Park Development</u>	<u>Revolving Capital Projects</u>	<u>Infrastructure Capital Projects</u>	
Transfers Out:					
General fund	\$ ---	\$ 25,000	\$ ---	\$ ---	\$ 25,000
Library operations	---	---	5,000	---	5,000
General debt service fund	143,702	---	---	---	143,702
TIF No. 3 debt service fund	---	---	---	55,910	55,910
Environmental TIF fund	39,675	---	---	---	39,675
Water utility enterprise	249,855	---	---	---	249,855
Airport enterprise	15,000	---	---	---	15,000
Total	\$ 448,232	\$ 25,000	\$ 5,000	\$ 55,910	\$ 534,142

E. Long-Term Obligations

Outstanding debt and other long-term obligations of the city at December 31, 2013 follows:

<u>Issue</u>	<u>Interest Rate(s)</u>	<u>Original Principal</u>	<u>Outstanding Principal At 12/31/13</u>		<u>Purpose</u>
			<u>General</u>	<u>Proprietary</u>	
<u>General obligation debt:</u>					
2007 refunding bonds	4.1%-4.375%	1,500,000	\$ 1,500,000	\$ ---	Infrastructure
2010 Build America bonds	2.05%-5.75%	6,400,000	4,525,000	1,675,000	Water, sewer, public works
2010 refunding bonds	2.0%-2.375%	4,290,000	2,190,000	---	TIF 3,4 & various
2011 refunding bonds	2.0%-3.0%	9,120,000	6,490,000	610,000	Riverfront & sewer
2013 street bonds	2.0%-2.8%	3,155,000	3,155,000	---	Infrastructure
2013 refunding bonds	2.0%-3.0%	1,460,000	1,235,000	---	Pension, ER TIF, various
Total bonds and notes			19,095,000	2,285,000	
<u>Other long-term obligations:</u>					
2000 tax increment rev. bonds	0%	1,500,000	116,338	---	Fitness Center
2005 revenue lease bonds	3.5-4.25%	11,810,000	8,000,000	---	Riverfront
Developer revenue agreement	0%	2,000,000	990,680	---	TIF no. 3
Energy lease purchase	2.698%	1,147,507	1,147,507	---	Energy conservation
Equipment lease purchase	2.15%	342,149	---	342,149	Sewer vector
Compensated absences (Note 5B.)			313,762	75,419	
Total other long-term obligations			10,568,287	417,568	
<u>Utility revenue debt:</u>					
2008 CWF bonds (1)	2.569%	4,465,837	---	3,582,996	Sewer
2008 CWF bonds (2)	2.365%	926,948	---	721,408	Sewer
2011 refunding bonds	2.0%-3.5%	2,050,000	---	1,775,000	Water
2012 CWF bonds	2.625%	7,078,151	---	7,078,151	Sewer
2012 CWF water bonds	2.2%	2,044,276	---	1,901,024	Water
Total utility revenue debt			---	15,058,579	
Total Long-Term Obligations			\$29,663,287	\$17,761,147	

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

A. General obligation debt

Annual debt service requirements to maturity of general obligation debt are as follows:

Year Ended December 31,	General City Long-Term Debt		Proprietary Fund Long-Term Debt		Totals
	Principal	Interest	Principal	Interest	
2014	\$ 2,010,000	\$ 481,468	\$ 660,000	\$ 58,797	\$ 3,210,265
2015	1,770,000	446,335	50,000	51,836	2,318,171
2016	1,890,000	409,435	55,000	50,784	2,405,219
2017	1,645,000	370,268	55,000	49,550	2,119,818
2018	1,695,000	329,870	55,000	48,191	2,128,061
2019-2023	5,395,000	1,035,110	445,000	209,171	7,084,281
2024-2028	2,880,000	504,828	650,000	117,732	4,152,560
2029-2033	1,810,000	99,569	315,000	11,816	2,236,385
	<u>\$ 19,095,000</u>	<u>\$ 3,676,883</u>	<u>\$2,285,000</u>	<u>\$ 597,877</u>	<u>\$ 25,654,760</u>

General city and proprietary fund indebtedness represented by general obligation notes totaled \$21,380,000 on December 31, 2013. The city's full faith and credit back these general obligation notes. Transactions for 2013 are summarized as follows:

Balance - January 1, 2013	\$ 23,840,000
Loan proceeds	---
Principal reductions	<u>(2,460,000)</u>
Balance - December 31, 2013	<u>\$ 21,380,000</u>

B. Community development revenue lease bonds

Annual debt service requirements to maturity of revenue lease debt are as follows:

Year Ended December 31,	Community Development Long-Term Debt		
	Principal	Interest	Totals
2014	\$ 1,100,000	\$ 302,950	\$ 1,402,950
2015	1,100,000	262,525	1,362,525
2016	1,150,000	218,900	1,368,900
2017	1,150,000	172,325	1,322,325
2018	1,150,000	124,313	1,274,313
2018-2020	2,350,000	99,875	2,449,875
	<u>\$ 8,000,000</u>	<u>\$ 1,180,888</u>	<u>\$ 9,180,888</u>

Community development indebtedness represented by the lease revenue bonds totaled \$8,000,000 on December 31, 2013. These bonds were issued to finance the riverfront improvement project. Transactions for 2013 are summarized as follows:

Balance - January 1, 2013	\$ 9,050,000
Principal reductions	<u>(1,050,000)</u>
Balance - December 31, 2013	<u>\$ 8,000,000</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

C. Tax increment project revenue bonds

Annual estimated debt service requirements to maturity of tax increment project revenue bonds are as follows:

Year Ended December 31,	Community Development Long-Term Debt		
	Principal	Interest	Totals
2014	\$ 112,331	\$ ---	\$ 112,331
2015	4,007	---	4,007
	<u>\$ 116,338</u>	<u>\$ ---</u>	<u>\$ 116,338</u>

Tax increment indebtedness represented by the revenue bonds totaled \$116,338 on December 31, 2013. These bonds were issued for the various developer and construction agreements. Transactions for 2013 are summarized as follows:

Balance - January 1, 2013	\$ 214,771
Principal reductions	<u>(98,433)</u>
Balance - December 31, 2013	<u>\$ 116,338</u>

D. Utility revenue debt

Annual debt service requirements to maturity of utility revenue debt are as follows:

Year Ended December 31,	Principal	Interest	Totals
2014	\$ 797,194	\$ 377,122	\$ 1,174,316
2015	817,929	359,627	1,177,556
2016	839,065	338,711	1,177,776
2017	860,611	316,330	1,176,941
2018	882,575	293,375	1,175,950
2019 - 2023	4,557,809	1,098,555	5,656,364
2024 - 2028	4,140,265	540,776	4,681,041
2029 - 2032	<u>2,163,131</u>	<u>107,980</u>	<u>2,271,111</u>
Totals	<u>\$ 15,058,579</u>	<u>\$ 3,432,476</u>	<u>\$ 18,491,055</u>

Proprietary fund indebtedness represented by revenue bonds totaled \$15,058,579 on December 31, 2013. The debt is pledged by the assets and revenues of the utilities. The city's full faith and credit do not back these revenue bonds. Transactions for 2013 are summarized as follows:

Balance - January 1, 2013	\$ 8,996,883
Loan proceeds	6,558,920
Principal reductions	<u>(497,224)</u>
Balance - December 31, 2013	<u>\$ 15,058,579</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

E. Lease purchase agreements

Annual debt service requirements to maturity of utility revenue debt are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2014	\$ 65,550	\$ 38,701	\$ 104,251
2015	129,880	36,342	166,222
2016	133,039	33,183	166,222
2017	136,274	29,948	166,222
2018	139,592	26,631	166,223
2019 - 2023	370,087	96,493	466,580
2024 - 2028	423,473	43,107	466,580
2029	91,761	1,555	93,316
Totals	<u>\$ 1,489,656</u>	<u>\$ 305,960</u>	<u>\$ 1,795,616</u>

Lease purchase agreement balances total \$1,489,656 on December 31, 2013. The debt is pledged by the assets acquired, the city's full faith and credit do not back the agreement. Transactions for 2013 are summarized as follows:

Balance - January 1, 2013	\$ ---
Proceeds	1,489,656
Principal reductions	<u>---</u>
Balance - December 31, 2013	<u>\$ 1,489,656</u>

F. Refunding of outstanding bonds

In prior years, the city defeased certain other general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the city's financial statements.

G. Margin of indebtedness

The Wisconsin Statutes restrict the city's general obligation debt to 5% of the equalized value of all property in the city. This amount is compared below with the outstanding debt on December 31, 2013:

Equalized Value - 2013	<u>\$ 817,681,400</u>
Margin of Indebtedness:	
5% of Equalized Value	40,884,070
Outstanding General Obligation Debt - December 31, 2013	<u>21,380,000</u>
Margin of Indebtedness	<u>\$ 19,504,070</u>

Note 4 - Detailed Notes on All Funds - Continued

E. Long-Term Obligations - Continued

H. Industrial development revenue bonds

The city issued industrial development revenue bonds during 1998 and 2008 for the benefit of private entities. The bonds outstanding as of December 31, 2013 totaled \$2,485,000 and \$3,202,500 for the 1998 and 2008 bonds, respectively. The city has no liability for repayment of these bonds and, consequently, they are not included in the financial statements.

Note 5 - Other Information

A. Risk Management

The city has purchased commercial insurance policies for various risks of loss related to litigation, theft, damage or destruction of assets, errors or omissions, injuries to employees, or acts of God. Payments of premiums for these policies are recorded as expenditures or expenses in the various funds of the city.

The city is also exposed to various risks of loss related to medical claims. The city's risk management fund (an internal service fund) is used to account for and finance its uninsured health risks of loss. Under this program the risk management fund provides coverage for up to a maximum of \$25,000 for each individual's total claims with group claims limited to 125% of expected claims. The city purchases commercial insurance for health claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial insurance coverage since inception of the fund.

All funds of the city participate in the health program and are charged amounts needed to pay prior and current year claims and to establish a reserve for future insurance costs. That reserve was \$533,759 at December 31, 2013 and is reported as the internal service fund net position. The accounts payable of \$230,612 reported in the fund at December 31, 2013 is based on the amount of the loss that can be reasonably estimated at year end. Changes in the fund's reported liability amount for the years ended December 31, 2013 and 2012 follows:

<u>Year</u>	<u>Beginning Of Year Liability</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>End of Year Liability</u>
2013	230,612	1,073,515	1,224,358	79,769
2012	109,172	1,457,125	1,335,685	230,612

Note 5 - Other Information - Continued

B. Compensated Absences

City employees earn vacation time in varying amounts and it must generally be taken by the employee's anniversary date according to city policy. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the statement of net position.

Management has determined that there was no accumulated vacation time and sick leave at year end to be liquidated with expendable available resources. The amount of accumulated vacation time at December 31, 2013 that has been recorded in the governmental activities of the statement of net position is \$134,878.

Employees may accumulate sick leave to a maximum number of days ranging from 150 to 252. It is the city's policy to pay for unused sick leave upon retirement or death at a rate of \$25 per day or apply it to future retiree health insurance premiums at a rate of \$50 per day. Eligible accumulated sick days of employees totaled approximately 3,496 at December 31, 2013. The city determined its liability for accumulated sick pay benefits payable based on the option of applying \$50 per day toward health insurance premiums. At December 31, 2013, estimated sick leave termination benefits of \$177,306 have been recorded in the governmental activities of the statement of net position.

Accumulated vacation and sick pay benefits for employees of the city's proprietary funds are recorded as a liability directly in those funds as they are earned by the employees. An additional \$38,699 and \$36,720 of accumulated vacation and sick pay, respectively, has been recorded as a liability in the proprietary funds.

C. Employees' Pensions

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district education support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

Note 5 - Other Information - Continued

C. Employees' Pensions - Continued

Contribution rates for 2013 were:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.0%	7.0%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.0%	10.31%
Protective without Social Security	7.0%	13.91%

The payroll for city employees covered by the WRS for the year ended December 31, 2013 was \$4,299,633; the employer's total payroll was \$4,268,787. The total required contribution for the year ended December 31, 2013 was \$631,445 which consisted of \$345,519, or 8.0% of the covered payroll from the employer and \$285,926 or 6.7% of the covered payroll from employees. Total contributions for the years ending December 31, 2012 and 2011 were \$551,645 and \$531,555, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of the Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, PO Box 7931, Madison, Wisconsin 53707-7931.

D. Tax Incremental Financing Districts

The city has established tax incremental financing (TIF) district no. 3 pursuant to a law enacted to provide a process by which local units of government could finance public works or improvements in blighted areas from taxes levied by county, city, schools and other local jurisdictions based on the increase in property values within a designated geographic area. When a tax incremental district is established, the state determines the aggregate value of taxable property located within the district (the base value). Taxes derived from levies by all local jurisdictions on property values exceeding the base value determined by the state are allocated to the city for financing improvements within the district.

Summary information on TIF district no. 3 follows:

Date of creation	9/29/1992
End of statutory construction period	9/29/2014
Maximum statutory life of district	9/29/2019

Note 5 - Other Information - Continued

D. Tax Incremental Financing Districts - Continued

The following summarizes the transactions to date of TIF district no. 3.

	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 941,228	\$ 58,810,638
Less: tax increments received	4,161,342	39,410,998
Less: intergovernmental revenues	16,630	691,256
Less: special assessments/property sales	---	231,751
Less: rental income	---	2,794
Less: interest earned	36,735	2,213,955
Less: city contribution for Wehmhoff Park	---	60,000
Less: increment allocations from TIF district no. 4	---	2,009,000
Less: all other	---	3,000
Total project revenues	<u>4,214,707</u>	<u>44,622,754</u>
Net Costs Recoverable (Recovered)	<u>\$ (3,273,479)</u>	<u>\$ 14,187,884</u>

The recovery of the above costs is subject to sufficient increments being generated in the districts before the end of the life of the districts. The above costs have been primarily financed by the issuance of general obligation and lease revenue bonds and notes.

The city created an environmental remediation tax incremental financing district in 2009 pursuant to the Wisconsin Statutes. The following summarizes the transactions to date of the environmental remediation tax incremental financing district.

	<u>Year Ended</u>	<u>From Date of Creation</u>
Accumulated project expenditures (including interest costs)	\$ 68,802	\$ 4,916,722
Less: tax increments received	46,751	94,927
Less: intergovernmental revenues	1,187	331,187
Less: interest earned on note receivable	78,820	252,271
Less: loan repayments	29,937	62,323
Total project revenues	<u>156,695</u>	<u>740,708</u>
Net Costs Recoverable (Recovered)	<u>\$ (87,893)</u>	<u>\$ 4,176,014</u>

Note 5 - Other Information - Continued

E. Utility User Rates

Water utility user rates currently in place were established by the Wisconsin Public Service Commission effective October 1, 2013. Sewer utility rates currently in place were approved by the city council effective January 1, 2009.

F. Litigation and Contingencies

The city attorney and management are unaware of any pending or threatened litigation against the city that would have a material effect on the financial statements.

G. Subsequent Events

Management has evaluated the need for disclosure or recording of transactions resulting from subsequent events through June 30, 2014, the date the financial statements were available to be issued; and concluded there were no matters to be disclosed.

H. Restatement of Net Position

The January 1, 2013 net position balance was restated for certain adjustments made. The adjustments made follows:

	<u>Govern- mental Activities</u>	<u>Business - Type Activities</u>
<u>Government-Wide Statements</u>		
Net position - December 31, 2012 - as originally reported	\$ 31,564,525	\$ 31,849,774
Adjustment to net position for the cumulative effect of the change in accounting principle	<u>(685,256)</u>	<u>(163,486)</u>
Net position - January 1, 2013 - as restated	<u>\$ 30,879,269</u>	<u>\$ 31,686,288</u>
	<u>Water Utility</u>	<u>Sewer Utility</u>
<u>Fund Statements</u>		
Net position - December 31, 2012 - as originally reported	\$ 13,879,143	\$ 15,824,339
Adjustment to net position for the cumulative effect of the change in accounting principle	<u>(146,440)</u>	<u>(17,046)</u>
Net position - January 1, 2013 - as restated	<u>\$ 13,732,703</u>	<u>\$ 15,807,293</u>

Note 5 - Other Information - Continued,

I. Housing Authority Component Unit

The Housing Authority of the City of Burlington is a component unit of the city. The fiscal year end of the housing authority is August 31, 2013. The following is a summary of significant disclosures of the housing authority.

1. Summary of significant accounting policies

The housing authority was formed under the applicable sections of the Wisconsin Statutes to provide an economically designed and constructed low-rent housing facility for senior citizens in the City of Burlington. The housing authority is governed by a five-member board of commissioners appointed by the city's mayor.

The housing authority uses the accrual basis of accounting.

Property and equipment are stated at cost. Depreciation is provided on the straight line method over the estimated useful lives of the assets.

2. Cash and investments

The housing authority's cash and investments consist of deposits at local banks. At August 31, 2013, the housing authority's deposits totaled \$204,323. The carrying value of those deposits on the housing authority's financial statements was \$195,407.

3. Restricted cash

The housing authority is required to maintain separate restricted accounts for debt service, security deposits, and capital improvements and replacements. Restricted cash at August 31, 2013 consisted of the following:

Reserve account	\$ 77,069
Security deposits	30,493
Totals	<u>\$ 107,562</u>

4. Long-term debt

Long-term debt of the housing authority at August 31, 2013 consisted of the following:

Note payable to Rural Development dated September 1, 1977.

It is due September 1, 2027 with monthly payments of \$2,918.

Interest is charged at 8%, but is subsidized to a rate of 1%. \$ 450,508

Note payable to Rural Development dated January 4, 1984.

It is due January 4, 2034 with monthly payments of \$1,590.

Interest is charged at 10.75%, but is subsidized to a rate of 1%. 348,300

Totals 798,808
Less: Current maturities (46,463)

Net Long-Term Debt \$ 752,345

Note 5 - Other Information - Continued

H. Housing Authority - Continued

Annual debt service requirements of housing authority debt are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 46,463	\$ 7,633	\$ 54,096
2015	46,787	7,309	54,096
2016	47,257	6,839	54,096
2017	47,731	6,365	54,096
2018	48,211	5,885	54,096
2019 - 2023	248,417	22,063	270,480
2024 - 2028	218,013	9,711	227,724
2029 - 2033	92,850	2,550	95,400
2034	<u>3,079</u>	<u>4</u>	<u>3,083</u>
Totals	<u>\$ 798,808</u>	<u>\$ 68,359</u>	<u>\$ 867,167</u>

Interest expense is calculated at 1% for cash debt service cash flow requirements to maturity assuming that the subsidy from the USDA Rural Development will continue.

SUPPLEMENTAL INFORMATION

A two-page combining balance
sheet follows.

CITY OF BURLINGTON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Funds							
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police DARE	Derozier	Wehmhoff
Assets								
Cash and investments	\$ 115,941	\$ -	\$ 356,642	\$ 199,408	\$ 99,821	\$ 8,155	\$ 49,699	\$ 52,366
Taxes receivable	405,000	-	-	-	-	-	-	-
Notes receivable	-	904,166	264,078	-	-	-	-	-
Restricted assets:								
Cash in escrow	-	-	-	-	-	-	-	-
Total Assets	<u>520,941</u>	<u>904,166</u>	<u>620,720</u>	<u>199,408</u>	<u>99,821</u>	<u>8,155</u>	<u>49,699</u>	<u>52,366</u>
Liabilities								
Accounts payable	9,581	-	-	1,324	-	-	-	-
Due to other funds	-	23,357	-	-	-	-	-	-
Deferred revenue	405,000	904,166	264,078	-	-	-	-	-
Total Liabilities	<u>414,581</u>	<u>927,523</u>	<u>264,078</u>	<u>1,324</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Unreserved:								
Assigned	106,360	(23,357)	356,642	198,084	99,821	8,155	49,699	52,366
Total Fund Balances	<u>106,360</u>	<u>(23,357)</u>	<u>356,642</u>	<u>198,084</u>	<u>99,821</u>	<u>8,155</u>	<u>49,699</u>	<u>52,366</u>
Total Liabilities and Fund Balances	<u>\$ 520,941</u>	<u>\$ 904,166</u>	<u>\$ 620,720</u>	<u>\$ 199,408</u>	<u>\$ 99,821</u>	<u>\$ 8,155</u>	<u>\$ 49,699</u>	<u>\$ 52,366</u>

General Debt Service Fund	Capital Projects Funds				Total Nonmajor Funds
	Energy Improvement	Revolving Capital Projects	Stormwater Management	Facade Grants	
\$ -	\$ -	\$ 1,490,008	\$ 13,287	\$ -	\$ 2,385,327
460,404	-	-	-	-	865,404
-	-	-	-	-	1,168,244
-	763,729	-	-	-	763,729
460,404	763,729	1,490,008	13,287	-	5,182,704
-	-	25,719	-	-	36,624
-	-	-	-	15,602	38,959
460,404	-	-	-	-	2,033,648
460,404	-	25,719	-	15,602	2,109,231
-	763,729	1,464,289	13,287	(15,602)	3,073,473
-	763,729	1,464,289	13,287	(15,602)	3,073,473
\$ 460,404	\$ 763,729	\$ 1,490,008	\$ 13,287	\$ -	\$ 5,182,704

A two-page combining statement of revenues, expenditures and changes in fund balances follows.

CITY BURLINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Funds							
	Library Operations	Community Development Block Grant	TIF No. 3 Revolving Loan	Park Develop- ment	Library Trust	Police DARE	Derozier	Wehmhoff
Revenues								
Taxes	\$ 405,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	303,451	-	-	59,256	-	-	-	-
Charges for services	21,960	-	-	-	-	-	-	-
Investment income	344	14,403	367	28	576	2	350	235
Repayment of note receivable principal	-	33,593	3,375	-	-	-	-	-
All other	3,271	-	-	42,327	9,392	6,630	-	-
Total Revenues	734,526	47,996	3,742	101,611	9,968	6,632	350	235
Expenditures								
Public safety	-	-	-	-	-	3,510	-	-
Culture, recreation & education	722,614	-	-	6,879	9,414	-	-	-
Conservation and development	-	205,760	250,030	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	722,614	205,760	250,030	6,879	9,414	3,510	-	-
Excess (deficiency) of revenues over (under) expenditures	11,912	(157,764)	(246,288)	94,732	554	3,122	350	235
Other Financing Sources (Uses)								
Transfers in	-	-	-	25,000	-	-	-	-
Transfers out	(5,000)	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(5,000)	-	-	25,000	-	-	-	-
Net change in fund balances	6,912	(157,764)	(246,288)	119,732	554	3,122	350	235
Fund balances - beginning	99,448	134,407	602,930	78,352	99,267	5,033	49,349	52,131
Fund balances - ending	\$ 106,360	\$ (23,357)	\$ 356,642	\$ 198,084	\$ 99,821	\$ 8,155	\$ 49,699	\$ 52,366

General Debt Service Fund	Capital Projects Funds				Total Nonmajor Funds
	Energy Improvement	Revolving Capital Projects	Stormwater Management	Facade Grants	
\$ 465,000	\$ -	\$ 250,000	\$ -	\$ -	\$ 1,120,500
-	-	-	-	-	362,707
-	-	-	-	-	21,960
910	9	745	3	-	17,972
-	-	-	-	-	36,968
-	-	-	-	-	61,620
<u>465,910</u>	<u>9</u>	<u>250,745</u>	<u>3</u>	<u>-</u>	<u>1,621,727</u>
-	-	-	-	-	3,510
-	-	-	-	-	738,907
-	-	-	-	5,587	461,377
-	383,787	432,108	-	-	815,895
185,000	-	-	-	-	185,000
206,819	-	-	-	-	206,819
<u>391,819</u>	<u>383,787</u>	<u>432,108</u>	<u>-</u>	<u>5,587</u>	<u>2,411,508</u>
<u>74,091</u>	<u>(383,778)</u>	<u>(181,363)</u>	<u>3</u>	<u>(5,587)</u>	<u>(789,781)</u>
-	-	5,000	-	-	30,000
(143,702)	-	-	-	-	(148,702)
-	-	57,291	-	-	57,291
-	1,147,507	-	-	-	1,147,507
<u>(143,702)</u>	<u>1,147,507</u>	<u>62,291</u>	<u>-</u>	<u>-</u>	<u>1,086,096</u>
(69,611)	763,729	(119,072)	3	(5,587)	296,315
<u>69,611</u>	<u>-</u>	<u>1,583,361</u>	<u>13,284</u>	<u>(10,015)</u>	<u>2,777,158</u>
<u>\$ -</u>	<u>\$ 763,729</u>	<u>\$ 1,464,289</u>	<u>\$ 13,287</u>	<u>\$ (15,602)</u>	<u>\$ 3,073,473</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Taxes</u>				
General property taxes	\$ 4,334,703	\$ 4,334,703	\$ 4,397,723	\$ 63,020
Payments in lieu of taxes	43,000	32,000	34,524	2,524
Occupational tax	893	881	881	-
Room tax	75,000	48,000	51,829	3,829
Interest on personal property taxes	300	2,500	3,009	509
	<u>4,453,896</u>	<u>4,418,084</u>	<u>4,487,966</u>	<u>69,882</u>
Total Taxes				
<u>Intergovernmental</u>				
Shared taxes from state	651,800	653,804	653,804	-
Exempt computer aid	17,500	17,534	21,556	4,022
Fire insurance from state	25,000	31,965	31,965	-
Municipal services	2,000	1,813	1,839	26
General transportation aid	510,590	510,590	510,292	(298)
Connecting streets	2,787	2,787	2,787	-
Other transportaion aid	22,840	-	270	270
Recycling grants	30,000	30,310	30,311	1
Clean sweep grant	16,750	16,000	12,750	(3,250)
State historical society reimbursement	-	8,000	9,077	1,077
State aid for police training	2,500	987	2,880	1,893
State safety aid	-	8,363	12,026	3,663
DNR aid in lieu of tax	700	681	681	-
Other intergovernmental revenue	20,000	-	984	984
	<u>1,302,467</u>	<u>1,282,834</u>	<u>1,291,222</u>	<u>8,388</u>
Total Intergovernmental				
<u>Licenses and Permits</u>				
Business and occupational licenses	33,264	44,474	35,735	(8,739)
Weights and measures	7,025	7,025	7,440	415
Wisconsin cable TV licenses	130,000	130,000	132,244	2,244
Parking permits	700	500	290	(210)
Cell tower permit	47,000	47,000	61,776	14,776
Building and electrical permits	66,376	71,200	112,467	41,267
Right of way and zoning permits	7,000	6,800	15,139	8,339
Chocolate city franchise fee	1	1	-	(1)
	<u>291,366</u>	<u>307,000</u>	<u>365,091</u>	<u>58,091</u>
Total Licenses and Permits				
<u>Fines and Forfeitures</u>				
Court penalty costs	150,000	135,000	123,215	(11,785)
Parking violations	85,000	60,000	37,489	(22,511)
	<u>\$ 235,000</u>	<u>\$ 195,000</u>	<u>\$ 160,704</u>	<u>\$ (34,296)</u>
Total Fines and Forfeitures				

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Charges for Services</u>				
Clerk's revenue	\$ 6,048	\$ 8,000	\$ 12,649	\$ 4,649
Police department	6,600	5,100	5,526	426
Fire department	15,000	6,500	7,550	1,050
Street department	8,804	13,500	13,809	309
Park revenue	17,280	29,850	11,234	(18,616)
Total Charges for Services	<u>53,732</u>	<u>62,950</u>	<u>50,768</u>	<u>(12,182)</u>
<u>Special Assessments</u>				
Sidewalks	<u>10,967</u>	<u>9,000</u>	<u>16,740</u>	<u>7,740</u>
<u>Interest</u>				
Investment earnings	18,000	10,000	1,785	(8,215)
Interest on special assessments	200	200	3,160	2,960
Total interest	<u>18,200</u>	<u>10,200</u>	<u>4,945</u>	<u>(5,255)</u>
TIF Reimbursement for Deferred Advance	<u>-</u>	<u>-</u>	<u>294,415</u>	<u>294,415</u>
Repayments of Note Receivable Principal	<u>50,000</u>	<u>50,000</u>	<u>14,040</u>	<u>(35,960)</u>
<u>Other</u>				
Lease of city property	18,250	13,500	16,100	2,600
Insurance recoveries	15,000	64,500	64,468	(32)
Miscellaneous	2,600	2,600	2,918	318
Total Other	<u>35,850</u>	<u>80,600</u>	<u>83,486</u>	<u>2,886</u>
Total Revenues	<u>\$ 6,451,478</u>	<u>\$ 6,415,668</u>	<u>\$ 6,769,377</u>	<u>\$ 353,709</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>General Government</u>				
Mayor and city council	\$ 54,720	\$ 55,220	\$ 52,080	\$ 3,140
Municipal court	59,856	53,956	55,068	(1,112)
Administration	465,092	392,092	404,145	(12,053)
Finance - treasurer	180,288	175,288	192,471	(17,183)
City clerk	49,534	41,534	43,368	(1,834)
Elections	17,095	8,795	8,902	(107)
Assessor and board of review	52,121	52,621	63,898	(11,277)
City attorney	97,000	89,700	95,804	(6,104)
Total General Government	<u>975,706</u>	<u>869,206</u>	<u>915,736</u>	<u>(46,530)</u>
<u>Public Safety</u>				
Police department	2,954,100	2,880,100	2,965,632	(85,532)
Fire department	728,097	617,597	650,533	(32,936)
Building inspector	-	104,000	107,922	(3,922)
Total Public Safety	<u>3,682,197</u>	<u>3,601,697</u>	<u>3,724,087</u>	<u>(122,390)</u>
<u>Public Works</u>				
Street administration and maintenance	1,096,477	1,079,977	1,226,312	(146,335)
Street lighting	278,000	276,000	275,919	81
Sidewalks, curb and gutters	50,500	39,000	36,527	2,473
Storm sewers	7,500	7,500	7,160	340
Garbage collection	330,270	381,270	386,356	(5,086)
Recycling	128,068	128,068	150,887	(22,819)
Landfill	35,000	35,000	38,015	(3,015)
Clean sweep	12,500	12,500	19,385	(6,885)
Total Public Works	<u>1,938,315</u>	<u>1,959,315</u>	<u>2,140,561</u>	<u>(181,246)</u>
<u>Health and Human Services</u>				
Health officer	75,808	75,808	68,379	7,429
Animal shelter	12,400	5,700	6,235	(535)
Total Health and Human Services	<u>\$ 88,208</u>	<u>\$ 81,508</u>	<u>\$ 74,614</u>	<u>\$ 6,894</u>

CITY OF BURLINGTON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>Culture, Recreation and Education</u>				
Historical society	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
Senior citizens	2,500	2,500	2,485	15
Parks	<u>585,545</u>	<u>583,745</u>	<u>594,772</u>	<u>(11,027)</u>
Total Culture, Recreation and Education	<u>589,045</u>	<u>587,245</u>	<u>598,257</u>	<u>(11,012)</u>
<u>Conservation and Development</u>				
Economic development	70,000	75,000	81,179	(6,179)
Planning commission	61,500	63,000	50,502	12,498
Town annexation revenue sharing	<u>55,071</u>	<u>55,071</u>	<u>55,071</u>	<u>-</u>
Total Conservation and Development	<u>186,571</u>	<u>193,071</u>	<u>186,752</u>	<u>6,319</u>
 Total Expenditures	 <u><u>\$ 7,460,042</u></u>	 <u><u>\$ 7,292,042</u></u>	 <u><u>\$ 7,640,007</u></u>	 <u><u>\$ (347,965)</u></u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

The following is a summary of the bonds and notes payable of the city as of December 31, 2013.

<u>General Obligation Debt</u>	<u>Outstanding Principal 12/31/2013</u>
2007 refunding bonds	\$ 1,500,000
2010 Build America Bonds	6,200,000
2010 refunding bonds	2,190,000
2011 refunding bonds	7,100,000
2012 street bonds	3,155,000
2012 refunding bonds	1,235,000
	<u>\$ 21,380,000</u>

2007 General Obligation Refunding Bonds

The proceeds from this issue were used to refund a short-term note and to finance various infrastructure improvements. Interest is charged at rates of 4.10% to 4.375%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2014	\$ -	\$ 31,988	\$ 31,988
October 1, 2014	-	31,988	31,988
April 1, 2015	-	31,988	31,988
October 1, 2015	-	31,988	31,988
April 1, 2016	-	31,988	31,988
October 1, 2016	-	31,988	31,988
April 1, 2017	100,000	31,988	131,988
October 1, 2017	-	29,800	29,800
April 1, 2018	110,000	29,800	139,800
October 1, 2018	-	27,545	27,545
April 1, 2019	120,000	27,545	147,545
October 1, 2019	-	25,055	25,055
April 1, 2020	130,000	25,055	155,055
October 1, 2020	-	22,325	22,325
April 1, 2021	140,000	22,325	162,325
October 1, 2021	-	19,350	19,350
April 1, 2022	150,000	19,350	169,350
October 1, 2022	-	16,162	16,162
April 1, 2023	150,000	16,162	166,162
October 1, 2023	-	12,975	12,975
April 1, 2024	150,000	12,975	162,975
October 1, 2024	-	9,750	9,750
April 1, 2025	150,000	9,750	159,750
October 1, 2025	-	6,525	6,525
April 1, 2026	150,000	6,525	156,525
October 1, 2026	-	3,262	3,262
April 1, 2027	150,000	3,262	153,262
	<u>\$ 1,500,000</u>	<u>\$ 569,414</u>	<u>\$ 2,069,414</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2010 Build America Bonds

The proceeds from this issue were used to finance capital projects in the TIF No. 3 capital projects, environmental TIF, water utility and sewer utility funds. Interest is charged at rates of 1.4% to 5.75%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2014	\$ 100,000	\$ 94,976	\$ 194,976
November 1, 2014	-	94,196	94,196
May 1, 2015	185,000	94,196	279,196
November 1, 2015	-	92,453	92,453
May 1, 2016	195,000	92,453	287,453
November 1, 2016	-	90,393	90,393
May 1, 2017	500,000	90,393	590,393
November 1, 2017	-	84,462	84,462
May 1, 2018	500,000	84,462	584,462
November 1, 2018	-	78,043	78,043
May 1, 2019	500,000	78,043	578,043
November 1, 2019	-	70,974	70,974
May 1, 2020	385,000	70,974	455,974
November 1, 2020	-	65,344	65,344
May 1, 2021	315,000	65,344	380,344
November 1, 2021	-	60,583	60,583
May 1, 2022	330,000	60,583	390,583
November 1, 2022	-	55,489	55,489
May 1, 2023	345,000	55,489	400,489
November 1, 2023	-	49,995	49,995
May 1, 2024	355,000	49,995	404,995
November 1, 2024	-	44,168	44,168
May 1, 2025	370,000	44,168	414,168
November 1, 2025	-	37,975	37,975
May 1, 2026	385,000	37,975	422,975
November 1, 2026	-	31,406	31,406
May 1, 2027	405,000	31,406	436,406
November 1, 2027	-	24,364	24,364
May 1, 2028	425,000	24,364	449,364
November 1, 2028	-	16,768	16,768
May 1, 2029	445,000	16,767	461,767
November 1, 2029	-	8,596	8,596
May 1, 2030	460,000	8,596	468,596
	<u>\$ 6,200,000</u>	<u>\$ 1,905,393</u>	<u>\$ 8,105,393</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2010 Refunding Bonds

The proceeds from this issue were used to advance refund previously issued debt used for TIF No. 3, TIF No. 4 and general capital projects. Interest is charged at rates of 2.0% to 2.375%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2014	\$ 915,000	\$ 23,175	\$ 938,175
November 1, 2014	-	14,025	14,025
May 1, 2015	595,000	14,025	609,025
November 1, 2015	-	8,075	8,075
May 1, 2016	680,000	8,075	688,075
	<u>\$ 2,190,000</u>	<u>\$ 67,375</u>	<u>\$ 2,257,375</u>

2011 General Obligation Refunding Bonds

The proceeds from this issue were used to refund 2001 bonds issued for TIF No. 3 purposes and 2004 bonds issued for sewer purposes. The bonds are attributed 80.8% to TIF No. 3 and 19.2% to the sewer utility. Interest is charged at rates of 2.0% to 3.0%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2014	\$ 1,420,000	\$ 85,603	\$ 1,505,603
October 1, 2014	-	71,403	71,403
April 1, 2015	845,000	71,403	916,403
October 1, 2015	-	62,953	62,953
April 1, 2016	875,000	62,953	937,953
October 1, 2016	-	53,657	53,657
April 1, 2017	905,000	53,657	958,657
October 1, 2017	-	43,475	43,475
April 1, 2018	940,000	43,475	983,475
October 1, 2018	-	31,725	31,725
April 1, 2019	970,000	31,725	1,001,725
October 1, 2019	-	17,175	17,175
April 1, 2020	1,145,000	17,175	1,162,175
	<u>\$ 7,100,000</u>	<u>\$ 646,379</u>	<u>\$ 7,746,379</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2012 General Obligation Street Bonds

The proceeds from this issue were used to finance various infrastructure improvements.

Interest is charged at rates of 2.0% to 2.8%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2014	\$ -	\$ 38,418	\$ 38,418
October 1, 2014	-	38,418	38,418
April 1, 2015	50,000	38,418	88,418
October 1, 2015	-	37,917	37,917
April 1, 2016	50,000	37,917	87,917
October 1, 2016	-	37,417	37,417
April 1, 2017	50,000	37,417	87,417
October 1, 2017	-	36,917	36,917
April 1, 2018	50,000	36,917	86,917
October 1, 2018	-	36,418	36,418
April 1, 2019	165,000	36,418	201,418
October 1, 2019	-	34,768	34,768
April 1, 2020	170,000	34,768	204,768
October 1, 2020	-	33,067	33,067
April 1, 2021	120,000	33,067	153,067
October 1, 2021	-	31,718	31,718
April 1, 2022	125,000	31,718	156,718
October 1, 2022	-	30,311	30,311
April 1, 2023	165,000	30,311	195,311
October 1, 2023	-	28,455	28,455
April 1, 2024	200,000	28,455	228,455
October 1, 2024	-	26,205	26,205
April 1, 2025	190,000	26,205	216,205
October 1, 2025	-	24,068	24,068
April 1, 2026	195,000	24,068	219,068
October 1, 2026	-	21,776	21,776
April 1, 2027	200,000	21,776	221,776
October 1, 2027	-	19,326	19,326
April 1, 2028	205,000	19,326	224,326
October 1, 2028	-	16,713	16,713
April 1, 2029	215,000	16,713	231,713
October 1, 2029	-	13,864	13,864
April 1, 2030	220,000	13,864	233,864
October 1, 2030	-	10,894	10,894
April 1, 2031	385,000	10,894	395,894
October 1, 2031	-	5,600	5,600
April 1, 2032	400,000	5,600	405,600
	<u>\$ 3,155,000</u>	<u>\$ 1,006,122</u>	<u>\$ 4,161,122</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2012 General Obligation Refunding Bonds

The proceeds from this issue were used to refund state trust fund loans issued in 2004, 2009 and 2011 for various purposes. Interest is charged at rates of 0.5% to 2.5%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
April 1, 2014	\$ 235,000	\$ 8,390	\$ 243,390
October 1, 2014	-	7,685	7,685
April 1, 2015	145,000	7,685	152,685
October 1, 2015	-	7,069	7,069
April 1, 2016	145,000	7,069	152,069
October 1, 2016	-	6,307	6,307
April 1, 2017	145,000	6,307	151,307
October 1, 2017	-	5,401	5,401
April 1, 2018	150,000	5,401	155,401
October 1, 2018	-	4,276	4,276
April 1, 2019	145,000	4,276	149,276
October 1, 2019	-	2,972	2,972
April 1, 2020	155,000	2,972	157,972
October 1, 2020	-	1,383	1,383
April 1, 2021	55,000	1,383	56,383
October 1, 2021	-	750	750
April 1, 2022	60,000	750	60,750
	<u>\$ 1,235,000</u>	<u>\$ 80,076</u>	<u>\$ 1,315,076</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Other Long-Term Obligations</u>	<u>Outstanding Principal 12/31/2013</u>
2005 community development lease revenue refunding bonds	\$ 8,000,000
2013 vactor lease/purchase - U.S. Bancorp	342,149
2013 energy conservation program lease/purchase - U.S. Bancorp	1,147,507
	<u>\$ 9,489,656</u>

2005 Community Development Lease Revenue Refunding Bonds

The proceeds from this issue were used to partially refund the 2000 Community Development bonds. Interest is charged at rates of 2.70% to 4.25%

	Principal	Interest	Total
April 1, 2014	\$ 1,100,000	\$ 161,375	\$ 1,261,375
October 1, 2014	-	141,575	141,575
April 1, 2015	1,100,000	141,575	1,241,575
October 1, 2015	-	120,950	120,950
April 1, 2016	1,150,000	120,950	1,270,950
October 1, 2016	-	97,950	97,950
April 1, 2017	1,150,000	97,950	1,247,950
October 1, 2017	-	74,375	74,375
April 1, 2018	1,150,000	74,375	1,224,375
October 1, 2018	-	49,938	49,938
April 1, 2019	1,175,000	49,937	1,224,937
October 1, 2019	-	24,969	24,969
April 1, 2020	1,175,000	24,969	1,199,969
	<u>\$ 8,000,000</u>	<u>\$ 1,180,888</u>	<u>\$ 9,180,888</u>

2013 Vactor Lease Purchase

The proceeds from this issue were used to purchase a new sewer vactor truck and chassis. Lease payments are for 5 years at an interest rate of 2.15%.

	Principal	Interest	Total
December 5, 2014	\$ 65,550	\$ 7,356	\$ 72,906
December 5, 2015	66,959	5,947	72,906
December 5, 2016	68,399	4,507	72,906
December 5, 2017	69,869	3,037	72,906
December 5, 2018	71,372	1,535	72,907
	<u>\$ 342,149</u>	<u>\$ 22,382</u>	<u>\$ 364,531</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2013 Energy Conservation Program Lease/Purchase

The proceeds from this issue were used for various energy conservation facilities improvements. The total amount of proceeds available is \$1,147,507. The total amount of purchases as of year-end was \$383,787.

Lease payments are for 15 years at an interest rate of 2.698%

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 15, 2014	\$ -	\$ 31,345	\$ 31,345
February 15, 2015	15,572	7,757	23,329
May 15, 2015	15,677	7,652	23,329
August 15, 2015	15,783	7,546	23,329
November 15, 2015	15,889	7,440	23,329
February 15, 2016	15,997	7,332	23,329
May 15, 2016	16,105	7,224	23,329
August 15, 2016	16,214	7,115	23,329
November 15, 2016	16,324	7,005	23,329
February 15, 2017	16,434	6,895	23,329
May 15, 2017	16,545	6,784	23,329
August 15, 2017	16,657	6,672	23,329
November 15, 2017	16,769	6,560	23,329
February 15, 2018	16,883	6,446	23,329
May 15, 2018	16,997	6,332	23,329
August 15, 2018	17,112	6,217	23,329
November 15, 2018	17,228	6,101	23,329
February 15, 2019	17,344	5,985	23,329
May 15, 2019	17,461	5,868	23,329
August 15, 2019	17,579	5,750	23,329
November 15, 2019	17,698	5,631	23,329
February 15, 2020	17,818	5,511	23,329
May 15, 2020	17,938	5,391	23,329
August 15, 2020	18,059	5,270	23,329
November 15, 2020	18,182	5,147	23,329
February 15, 2021	18,305	5,024	23,329
May 15, 2021	18,428	4,901	23,329
August 15, 2021	18,553	4,776	23,329
November 15, 2021	18,678	4,651	23,329
February 15, 2022	18,804	4,525	23,329
May 15, 2022	18,932	4,397	23,329
August 15, 2022	19,060	4,269	23,329
November 15, 2022	19,188	4,141	23,329
February 15, 2023	19,318	4,011	23,329
May 15, 2023	19,449	3,880	23,329
August 15, 2023	19,580	3,749	23,329
November 15, 2023	19,713	3,616	23,329
February 15, 2024	19,846	3,483	23,329
Balance carried forward	<u>\$ 652,119</u>	<u>\$ 242,399</u>	<u>\$ 894,518</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Balance brought forward	\$ 652,119	\$ 242,399	\$ 894,518
May 15, 2024	19,980	3,349	23,329
August 15, 2024	20,115	3,214	23,329
November 15, 2024	20,251	3,078	23,329
February 15, 2025	20,388	2,941	23,329
May 15, 2025	20,526	2,803	23,329
August 15, 2025	20,665	2,664	23,329
November 15, 2025	20,804	2,525	23,329
February 15, 2026	20,945	2,384	23,329
May 15, 2026	21,086	2,243	23,329
August 15, 2026	21,229	2,100	23,329
November 15, 2026	21,373	1,956	23,329
February 15, 2027	21,517	1,812	23,329
May 15, 2027	21,663	1,666	23,329
August 15, 2027	21,809	1,520	23,329
November 15, 2027	21,956	1,373	23,329
February 15, 2028	22,105	1,224	23,329
May 15, 2028	22,254	1,075	23,329
August 15, 2028	22,405	924	23,329
November 15, 2028	22,556	773	23,329
February 15, 2029	22,709	620	23,329
May 15, 2029	22,862	467	23,329
August 15, 2029	23,017	312	23,329
November 15, 2029	23,173	156	23,329
	<u>\$ 1,147,507</u>	<u>\$ 283,578</u>	<u>\$ 1,431,085</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Utility Revenue Debt</u>	<u>Outstanding Principal 12/31/2013</u>
2008 sewer revenue bonds - Clean Water Fund (No. 5096-02)	\$ 3,582,996
2008 sewer revenue bonds - Clean Water Fund (No. 5096-04)	721,408
2011 water revenue refunding bonds	1,775,000
2012 water revenue bonds - Clean Water Fund (No. 5475-01)	1,901,024
2012 sewer revenue bonds - Clean Water Fund (No. 5096-09)	7,078,151
	<u>\$ 15,058,579</u>

2008 Clean Water Fund Loan (No. 5096-02)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.569%.

	Principal	Interest	Total
May 1, 2014	\$ 198,810	\$ 46,024	\$ 244,834
November 1, 2014	-	43,470	43,470
May 1, 2015	203,917	43,470	247,387
November 1, 2015	-	40,851	40,851
May 1, 2016	209,156	40,851	250,007
November 1, 2016	-	38,164	38,164
May 1, 2017	214,529	38,164	252,693
November 1, 2017	-	35,408	35,408
May 1, 2018	220,040	35,408	255,448
November 1, 2018	-	32,582	32,582
May 1, 2019	225,693	32,582	258,275
November 1, 2019	-	29,683	29,683
May 1, 2020	231,491	29,683	261,174
November 1, 2020	-	26,709	26,709
May 1, 2021	237,438	26,709	264,147
November 1, 2021	-	23,660	23,660
May 1, 2022	243,538	23,660	267,198
November 1, 2022	-	20,531	20,531
May 1, 2023	249,794	20,531	270,325
November 1, 2023	-	17,323	17,323
May 1, 2024	256,211	17,323	273,534
November 1, 2024	-	14,032	14,032
May 1, 2025	262,794	14,032	276,826
November 1, 2025	-	10,656	10,656
May 1, 2026	269,545	10,656	280,201
November 1, 2026	-	7,193	7,193
May 1, 2027	276,469	7,193	283,662
November 1, 2027	-	3,642	3,642
May 1, 2028	283,571	3,642	287,213
	<u>\$ 3,582,996</u>	<u>\$ 733,832</u>	<u>\$ 4,316,828</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2008 Clean Water Fund Loan (No. 5096-04)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.365%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2014	\$ 44,070	\$ 8,531	\$ 52,601
November 1, 2014	-	8,010	8,010
May 1, 2015	45,112	8,010	53,122
November 1, 2015	-	7,476	7,476
May 1, 2016	46,179	7,476	53,655
November 1, 2016	-	6,930	6,930
May 1, 2017	47,271	6,930	54,201
November 1, 2017	-	6,371	6,371
May 1, 2018	48,389	6,371	54,760
November 1, 2018	-	5,799	5,799
May 1, 2019	49,534	5,799	55,333
November 1, 2019	-	5,213	5,213
May 1, 2020	50,705	5,213	55,918
November 1, 2020	-	4,614	4,614
May 1, 2021	51,904	4,614	56,518
November 1, 2021	-	4,000	4,000
May 1, 2022	53,132	4,000	57,132
November 1, 2022	-	3,371	3,371
May 1, 2023	54,388	3,371	57,759
November 1, 2023	-	2,728	2,728
May 1, 2024	55,675	2,728	58,403
November 1, 2024	-	2,070	2,070
May 1, 2025	56,991	2,070	59,061
November 1, 2025	-	1,396	1,396
May 1, 2026	58,339	1,396	59,735
November 1, 2026	-	706	706
May 1, 2027	59,719	706	60,425
	<u>\$ 721,408</u>	<u>\$ 125,899</u>	<u>\$ 847,307</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2011 Water Revenue Refunding Bonds

The proceeds from this issue were used to refund the 2002 water revenue bonds that were issued to finance various water utility improvements. Interest is charged at rates of 2.0% to 3.5%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2014	\$ 175,000	\$ 25,999	\$ 200,999
November 1, 2014	-	24,248	24,248
May 1, 2015	180,000	24,248	204,248
November 1, 2015	-	22,449	22,449
May 1, 2016	185,000	22,449	207,449
November 1, 2016	-	19,674	19,674
May 1, 2017	190,000	19,674	209,674
November 1, 2017	-	16,823	16,823
May 1, 2018	195,000	16,823	211,823
November 1, 2018	-	13,898	13,898
May 1, 2019	200,000	13,898	213,898
November 1, 2019	-	10,899	10,899
May 1, 2020	210,000	10,899	220,899
November 1, 2020	-	7,539	7,539
May 1, 2021	215,000	7,539	222,539
November 1, 2021	-	3,938	3,938
May 1, 2022	225,000	3,938	228,938
	<u>\$ 1,775,000</u>	<u>\$ 264,935</u>	<u>\$ 2,039,935</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2012 Clean Water Fund Loan (No. 5475-01)

The proceeds from this issue were used for various water utility improvements. Interest is charged at the rate of 2.2%.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2014	\$ 87,220	\$ 20,911	\$ 108,131
November 1, 2014	-	19,952	19,952
May 1, 2015	89,139	19,952	109,091
November 1, 2015	-	18,971	18,971
May 1, 2016	91,100	18,971	110,071
November 1, 2016	-	17,969	17,969
May 1, 2017	93,105	17,969	111,074
November 1, 2017	-	16,945	16,945
May 1, 2018	95,153	16,945	112,098
November 1, 2018	-	15,898	15,898
May 1, 2019	97,246	15,898	113,144
November 1, 2019	-	14,829	14,829
May 1, 2020	99,386	14,829	114,215
November 1, 2020	-	13,735	13,735
May 1, 2021	101,572	13,735	115,307
November 1, 2021	-	12,618	12,618
May 1, 2022	103,807	12,618	116,425
November 1, 2022	-	11,476	11,476
May 1, 2023	106,090	11,476	117,566
November 1, 2023	-	10,309	10,309
May 1, 2024	108,424	10,309	118,733
November 1, 2024	-	9,117	9,117
May 1, 2025	110,810	9,117	119,927
November 1, 2025	-	7,898	7,898
May 1, 2026	113,248	7,898	121,146
November 1, 2026	-	6,652	6,652
May 1, 2027	115,739	6,652	122,391
November 1, 2027	-	5,379	5,379
May 1, 2028	118,285	5,379	123,664
November 1, 2028	-	4,078	4,078
May 1, 2029	120,888	4,078	124,966
November 1, 2029	-	2,748	2,748
May 1, 2030	123,547	2,748	126,295
November 1, 2030	-	1,389	1,389
May 1, 2031	126,265	1,389	127,654
	<u>\$ 1,901,024</u>	<u>\$ 400,837</u>	<u>\$ 2,301,861</u>

CITY OF BURLINGTON
LONG-TERM DEBT SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2013

2012 Clean Water Fund Loan (No. 5096-09)

The proceeds from this issue were used for various sewer utility improvements. Interest is charged at the rate of 2.2%. The total proceeds available for the loan is \$7,722,769. The balance of the proceeds will be issued in 2014.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
May 1, 2014	\$ 292,094	\$ 90,909	\$ 383,003
November 1, 2014	-	89,067	89,067
May 1, 2015	299,761	89,067	388,828
November 1, 2015	-	85,133	85,133
May 1, 2016	307,630	85,133	392,763
November 1, 2016	-	81,095	81,095
May 1, 2017	315,706	81,095	396,801
November 1, 2017	-	76,951	76,951
May 1, 2018	323,993	76,951	400,944
November 1, 2018	-	72,699	72,699
May 1, 2019	332,498	72,699	405,197
November 1, 2019	-	68,335	68,335
May 1, 2020	341,226	68,335	409,561
November 1, 2020	-	63,856	63,856
May 1, 2021	350,183	63,856	414,039
November 1, 2021	-	59,260	59,260
May 1, 2022	359,375	59,260	418,635
November 1, 2022	-	54,543	54,543
May 1, 2023	368,809	54,543	423,352
November 1, 2023	-	49,703	49,703
May 1, 2024	378,490	49,703	428,193
November 1, 2024	-	44,735	44,735
May 1, 2025	388,425	44,735	433,160
November 1, 2025	-	39,637	39,637
May 1, 2026	398,622	39,637	438,259
November 1, 2026	-	34,405	34,405
May 1, 2027	409,085	34,405	443,490
November 1, 2027	-	29,036	29,036
May 1, 2028	419,824	29,036	448,860
November 1, 2028	-	23,526	23,526
May 1, 2029	430,844	23,526	454,370
November 1, 2029	-	17,871	17,871
May 1, 2030	442,154	17,871	460,025
November 1, 2030	-	12,068	12,068
May 1, 2031	453,760	12,067	465,827
November 1, 2031	-	6,112	6,112
May 1, 2032	465,672	6,112	471,784
	<u>\$ 7,078,151</u>	<u>\$ 1,906,972</u>	<u>\$ 8,985,123</u>